

Aalto University  
School of Science  
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Meri Vainio

# **May I have this Dance?**

**Sino-Finnish Centre as Collaboration Platform  
in Aalto-Tongji Partnership**

Master's Thesis  
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Supervisor: Professor Matti Vartiainen  
Instructor: Matti Hämäläinen, M.Sc. (Tech.)

<b>Author:</b> Meri Vainio		
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Supervisor: Professor Matti Vartiainen  Instructor: Matti Hämäläinen, M.Sc. (Tech.)		
<p>The cooperation between Aalto and Tongji Universities begun on the day after the Aalto University was officially opened. Memorandum of Understanding indicated that a common platform, the Sino-Finnish Centre, was to be established. The first phase of collaboration was the establishment of Aalto-Tongji Design Factory, introducing a new collaboration space for two universities. Sino-Finnish Centre was officially announced in late October 2010.</p> <p>This thesis studies the university cooperation as <i>strategic partnership</i> where the two partners have a common child, Sino-Finnish Centre. Sino-Finnish Centre as a collaboration unit is studied as <i>a joint venture</i> where two <i>national cultures</i> meet. Aalto-Tongji Design Factory, as a manifestation of Aalto Design Factory, is studied through <i>organizational culture</i> and <i>culture transfer</i> through manifestations, people, and a common vision.</p> <p>Objectives for the study are to define the forms, levels and actors of Aalto-Tongji cooperation, to study the challenges in the collaboration, to build an ideal model for the collaboration, and to present concrete ways for improving the collaboration. In order to reach these objectives, the three research questions were initiated: 1) What is Aalto-Tongji Partnership, 2) What are the challenges in the collaboration, and 3) How to improve the dance.</p> <p>To find the answers to these questions, Sino-Finnish Centre is studied with the archival data and documentary, participatory observation, and various interviews. Empirical findings gathered have then been analyzed through the theoretical frameworks, and combined together applying the grounded theory method. The research builds a theory on organization culture transfer in multicultural joint venture.</p> <p>The findings of study show that the university cooperation through the collaboration platform combining the two platforms, Sino-Finnish Centre and Aalto-Tongji Design Factory, has been successful, and challenging at the same time. The study proposes that the common ground of the two platforms should be increased through a common vision and goals, capable management, and support, in order to improve the collaboration.</p> <p>As a conclusion, the research suggests that by increasing the common dance floor the quality of the dance could be increased.</p>		
Keywords: strategic partnership, joint venture, national culture, organizational culture, culture transfer, China		

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Työn valvoja: Professori Matti Vartiainen		
Työn ohjaaja: Diplomi-insinööri Matti Hämäläinen		
<p>Aalto-yliopisto perustettiin tammikuussa 2010. Perustamista seuraavana päivänä Aalto- ja Tongji-yliopistot sopivat strategisesta kumppanuudesta ja yhteistyöalustan rakentamisesta Tongji-yliopistoon, Kiinaan. Ensimmäinen askel kohti yhteistyötä otettiin siirtämällä Aalto-yliopiston Design Factoryn periaatteet Kiinaan uutena opiskelijalähtöisenä tilana Aalto-Tongji Design Factoryna. Viisi kuukautta myöhemmin yhteistyöalusta nimettiin virallisesti Tongji-yliopiston kansainväliseksi keskuksesi, Sino-Finnish Centreksi.</p> <p>Yliopistoyhteistyötä tarkastellaan tässä työssä <i>strategisena kumppanuutena</i>. Yhteistyöalusta Sino-Finnish Centre on kumppaneiden <i>kansainvälinen yhteishanke</i>, jossa kaksi <i>kansallista kulttuuria</i> kohtaavat. Aalto-Tongji Design Factorya tarkastellaan <i>organisaatiokulttuurin ja kulttuurin siirtämisen</i> kautta.</p> <p>Tämän tutkimuksen tavoitteena on selittää monitasoisen yhteistyön tasot, toimijat ja yhteistyömuodot, löytää yhteishankkeen kulttuuriset haasteet ja analysoida kulttuurin syntymistä ja kehittämistä monikulttuurisessa organisaatiossa. Tavoitteisiin pääsemiseksi, tutkimus alustettiin kolmella tutkimuskysymyksellä: 1) Mitä on Aalto-Tongji yhteistyö, 2) Mitä haasteita yhteistyöalustalla on, ja 3) Kuinka tanssia voidaan kehittää.</p> <p>Tutkimuksen lähteinä toimivat ensisijaisesti osallistuva havainnointi, dokumentaatio, ja avoimet haastattelut. Teoreettiset viitekehykset toimivat empiirisen aineiston analysoinnin tukena. Grounded theory -menetelmää soveltaen teoria organisaatiokulttuurin siirtämisestä kansainvälisessä yhteishankkeessa rakentuu empiirisen ja teoreettisen aineiston yhdistelmänä.</p> <p>Tulokset osoittavat, että monikulttuurinen yhteistyöalusta, joka yhdistää kaksi alustaa, Sino-Finnish Centren ja Aalto-Tongji Design Factoryn, on haastava toimintaympäristö. Yhteistyö vaatii yhteisesti sovitut pelisäännöt, tavoitteet ja osaavaa johtamista. Vain siten yhteinen alusta voi kasvaa.</p> <p>Tutkimus osoittaa, että kasvattamalla yhteistä tanssialustaa, tanssin laatu ja yhteistyö on mahdollista parantua.</p>		
Asiasanat: strateginen kumppanuus, yhteishanke, kansallinen kulttuuri, organisaatiokulttuuri, kulttuurin siirtäminen, Kiina		

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I got the chance and I did the dance!

In Espoo, Finland, November 24, 2014

Meri Vainio

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## ABBREVIATIONS

ADF	Aalto Design Factory, opened in October 2008, is Aalto University pilot project for student centric learning environment
ADFS	Aalto Design Factory Shanghai, the first name of Design Factory project transferred from Aalto to Shanghai, later Aalto-Tongji Design Factory
ATDF	Aalto-Tongji Design Factory, the first physical phase for Aalto-Tongji cooperation and Sino-Finnish Centre.
DF	Design Factory, general name for the student centric learning environment concept, usually referred to Aalto Design Factory (ADF)
DFGN	Design Factory Global Network for Design Factory inspired platforms around the world.
SFC	Sino-Finnish Centre, collaboration platform for Aalto and Tongji University, and Tongji University International Platform College

# 1 INTRODUCTION

Every dance has its beginning and ending. Partners get to decide how long they will continue, when to have a break, and when is the time for dancers to say thank you, and look for another partner. A slow dancing couple can continue together forever, but in a long dance, there are always times when a partner steps on another's toe, only one dancer wants to continue, or the dance goes too wild. Once in a while it is good to have a short break, get a drink, and discuss together whether you want to stay on a waltz, switch on to tango or go to another level to practice quickstep or lindy hop.

The same philosophy can be applied with the partnerships: one can not know how many dances are ahead or what new skills one will learn during the dance. Partnering is always a sum of coincidences. It depends on who happens to be on the same dance floor, who gets invited to dance, and what is the current reputation as a dancer. Furthermore, one can not learn without giving a change, and whether it is a dance or a partnership, one can not dance it alone!

This Master's Thesis studies the development of a partnership between Aalto and Tongji University, through observations on their recently established collaboration platform, the Sino-Finnish Centre. The goal is simple: to improve the dance. I try to find the best ways for improving the dance.

## 1.1 Background

Aalto University was established on January 8<sup>th</sup> 2010. On the following day, a Memorandum of Understanding was signed between Aalto and Tongji University, indicating that a common platform, the Sino-Finnish Centre (SFC), was to be established later that year. In May 2010 Aalto-Tongji Design Factory (ATDF) opening ceremony introduced a new collaboration space for two universities, hence being the first phase of the cooperation. Sino-Finnish Centre was officially

announced in late October 2010. At that time, no one had any idea what it was going to be.

In 2014, after four years of cooperation, Sino-Finnish Centre is offering increasing amount of courses, workshops and seminars, and other student activities. SFC and ATDF are attracting people from different fields and disciplines to take part in the activities at the large physical environment offering spaces and equipment. It is engaging and benefitting SFC stakeholders from education, industry, research and business. The growth of SFC impact can be seen in many forms such as in increasing number of students, projects, visitors, and the media attention. Aalto-Tongji University cooperation has made certain goals e.g. large-scale student involvement, interdisciplinary and international publicity.

In Aalto-Tongji cooperation, Aalto and Tongji University are the dance partners whose goal is to collaborate and dance together on a common platform. Aalto-Tongji university partnership is not only about student exchange and joint projects: it is a physical collaboration platform, having two different identities, the Sino-Finnish Centre and Aalto-Tongji Design Factory. These two identities and forms for the collaboration platform have helped the cooperation to improve and succeed. On the other hand, they have caused many challenges. This study aims to understand the Aalto-Tongji cooperation, find the challenges, and improve the collaboration.

## 1.2 Motivation and objectives

Research objectives can be divided in two groups: overall motivation behind the study and the objectives for the study. The goal is to improve the dance.

### 1.2.1 Motives and contribution

The primary motive behind this study comes from the need to improve our understanding of the issues related to the Aalto-Tongji partnership and collaboration. The goal of this thesis work is to improve the collaboration and at the same time, to produce useful documentation about the Aalto University cooperation with Chinese

Tongji University, and about their common collaboration platform, the Sino-Finnish Centre. Thesis is written so that also the people with very little or no previous knowledge about Aalto University or China, could better understand the complicated situation and general issues related to this type of Sino-foreign partnerships.

Aalto-Tongji partnership can be studied from two perspectives, Aalto's and Tongji's point of view. This study aims to give an objective viewpoint into the cooperation, but is made for Aalto University's use aiming for a better understanding of the cooperation. Whatever the results or the objectiveness of the study are, the discussion has now been started and is hoped to be continued.

The intension of this study is to contribute to the discussion of Aalto-Tongji partnership challenges and possibilities in future. It also intends to contribute to the future plans of Design Factory in Tongji University, and produces an analysis of how the Design Factory concept can be applied in another country. Instead of conducting only passive observations for the research, a more active approach was chosen, which took place in the form of participatory observation and action research, explained in chapter 2. Through this choice, the thesis aims to generate results that are practical and useful for Aalto University China collaboration, and for the development of the Design Factory Global Network.

### 1.2.2 Research objectives, questions, and outcomes

The overall objective of this thesis is to improve the Aalto–Tongji cooperation, particularly by improving the collaboration activities taking place at the Sino-Finnish Centre. In order to reach this objective, the study was initiated by three research questions:

- 1. What is Aalto-Tongji partnership?**
- 2. What are the challenges in the collaboration?**
- 3. How to improve the dance?**

**The first objective** was to define what the partnership on different levels of the organizations. The aim was to explain and clarify the different actors and forms for the cooperation and collaboration, and the connection between the actors and levels based on the empirical findings. *This definition is presented in chapter 3.*

**The second objective** was to identify the challenges in the cooperation and collaboration. Based on the definition of Aalto-Tongji partnership, this question was studied on two different levels. On the *cooperation level*, the Aalto-Tongji partnership was studied as a strategic partnership, and on the *collaboration level*, the Sino-Finnish Centre was studied as an international platform college, through the theory of international joint ventures and national cultures. Aalto-Tongji Design Factory, as a manifestation of Aalto Design Factory, was studied through organizational culture and transferring the culture. *These challenges are described in chapters 4 and 5.*

Once the partnership had been defined, and the challenges had been identified, the **third objective** was to combine these two outcomes in order to build a model for transferring the organizational culture from one national culture to another. This model was based on bringing culture from home country to host country, through organizational unit manifestations, people and a common vision. *The model is presented in chapter 5, and generalized in chapter 7.*

After the identification of challenges, the **fourth objective** was to evaluate the development and the perceived value of the collaboration platform in order to define an ideal model and identify the best practices for the collaboration. This research aims to present concrete proposals and alternatives for the platform development. *The ideal collaboration model is presented in chapter 6.*

## **1. What is Aalto-Tongji partnership?**

The target for the first research question is to explain the history and current form of the partnership: how was the partnership initiated, what are the actors and forms in

the partnership, what is Sino-Finnish Centre and Aalto-Tongji Design Factory, and how do they work together.

## **2. What are the challenges in the collaboration?**

The second research question aims to identify the challenges in cooperation and collaboration platform, where different national and organizational cultures exist. It collects together the challenges related to national cultural differences, international joint venture management and transferring the organizational culture.

## **3. How to improve the dance?**

Through the first two questions, the study answers the third research question *how to improve the dance* by presenting an ideal situation for collaboration and giving practical suggestions for next steps.

# **1.3 Structure of the thesis**

Thesis can be divided into four parts: introduction and methodology, experiences of the collaboration, proposal on how to improve the dance, and discussion and conclusions.

**First part** of the thesis is introducing the background, motives and objectives for the research as well as the methodology applied in this study, and consists of chapters 1 and 2.

**The second part**, experiences of the collaboration, is answering the two research questions *What is Aalto-Tongji partnership* and *What are the challenges in the collaboration*. It consists of chapters 3, 4, and 5.

Chapter 3 answers the first research question by describing the partnership, cooperation and collaboration level actors. The cooperation level actors, Aalto and Tongji Universities, are explained with key facts and figures, vision and reasons for collaboration. Collaboration level actors, Sino-Finnish Centre and Aalto-Tongji

Design Factory, are explained with empirical findings from documentary, participatory observation and interviews.

Chapter 4 studies the Aalto-Tongji cooperation through theoretical framework of strategic partnerships and joint ventures, and the cultural challenges of multicultural collaboration. Theory is reflected to the current situation through empirical findings from observation and interviews.

Chapter 5 studies the collaboration platform through theoretical framework of organizational culture and cultural transfer. It builds a model for transferring culture in Aalto-Tongji partnership based on the empirical findings and interpretation of the participatory observation. Through this model and findings from chapter 4, the second research question gets answered.

**The third part**, how to improve the dance, collects the findings from the second part in order to answer to the third research question *How to improve the dance*. This part consists of chapter 6.

Chapter 6 evaluates the collaboration platform through the objectives, development, and value of the collaboration. It builds an ideal model for future cooperation and collaboration between the two universities, and makes practical suggestions for how to improve the collaboration. Chapter 6 will meet the goal for the thesis of *How to improve the dance*.

**The fourth part**, discussion and conclusions, is evaluating the overall process and consists of chapter seven.

Chapter 7 discusses the findings and results, and their relation to theory. It evaluates the overall research, and makes suggestions for future research.

## 2 RESEARCH METHOD AND PROCEDURE

*"You can not understand a system until you try to change it"*

Kurt Lewin, Change Theory (1947)

In the traditional model of research, the researcher chooses a theoretical framework and applies this model to the phenomenon to be studied. One begins with a theory and then provides support for it. In my study, I have intentionally chosen a different approach because no previous research was done with this topic and because I had the opportunity to be present, observe and learn, what really is important in this case, and what should be studied. Method is described as applied grounded theory approach, and it is built on grounded theory method. However, it does not follow it blindly.

### 2.1 Applied grounded theory approach

The grounded theory method (GTM) provides systematic, successive strategies for developing novel ideas to collect, study, and analyze empirical data. Grounded theory (GT) proposes explicit guidelines for theorizing from data (Charmaz, 2008). Grounded theory approach was selected to guide the data collection and analysis, because the study has the potential to develop and refine theoretically relevant concepts leading to a better understanding of the multicultural multilevel partnership (Strauss and Corbin, 1990).

The general form of grounded theory method consists of data collection and data analysis (Gephart, 2004). It is adapted and constructed along the latest explorations being inductive and interpretative. Inductive theory builds from cases producing new theory from data whereas deductive theory would be testing and completing the cycle by using data to test theory. Interpretative research does not predefine dependent and independent variables, but focuses on the observations through human sense, and rather than relying on study, it forms as the situation emerges. (Eisenhardt



& Graebner, 2007). Grounded theory involves constant comparative analysis where groups are compared on the basis of theoretical similarities and differences. (Gephart, 2004).

GT research begins by choosing an initial perspective for study and the topics relevant to chosen perspective are allowed to emerge. Based on topics emerged, an initial theoretical framework is formed to distinguish categories of the emerged topics. Categories are studied further, analyzed and verified by new round of theory. Empirical data is gathered from variety of sources and recorded systematically. Examples related to theory are found from the empirical data, using to develop grounded concepts and categories (Strauss and Corbin, 1990).

This study follows the GTM in the beginning, and study begins from a setting where there are no assumptions, theoretical framework or research questions to begin with. Instead, the researcher is open and sensible to the data to be collected. To follow the GT method, the researcher needs to keep an open mind, since it is not known where the study is going. A theory of transferring culture with manifestations from one country to another in international joint venture is explained through a pyramid model, that builds a theory from the studied data.

In grounded theory approach, phenomenon is first perceived, and then analyzed and compared to data from empirical and theoretical material. This creates a process to build a perspective on where this phenomenon originates. The aim of this research was not to observe from distance, but to actively participate on developing the platform and testing the theory in practice.

The research method could also be described as participatory action research (PAR), where the researcher has an identified role as a part of the studied society and is actively affecting the society through or along with the research process. In this study, the researcher participates actively in the subject organization's activities, and hence the method is also applying PAR approach, together with grounded theory

approach. This data collection method, known as active participatory observation, is explained in chapter 2.2.3.

The basic assumption of GTM is that there is no theory or assumptions in the beginning. Instead, the theory is built on the empirical data, beginning with a question *what needs to be studied*. This study begins with a situation where the cooperation looks good on a paper but lacks the collaboration on the grass level of the organization. The research then concentrates on finding the initial problem in Aalto-Tongji partnership by analyzing and comparing the theory and different sources of empirical data. After that, the study focuses on the topics that should and could be studied, and then finds the key questions it wants to answer to as the research questions.

After several rounds of iteration of data collection, theory, verification, and analysis, the area of study is defined further and the research questions emerge. Questions are associated with the objectives initiated in the beginning, and they are also modifying the objectives to focus more strongly on the initial problems that needed to be studied. Iterative research process ends when the research questions and study are in good cohesion with each other and correlate with the original and new research objectives. Analysis and procedure of the applied grounded theory approach used in this study is described in chapter 2.3.

## 2.2 Data collection

This study is based on archival data, documentations and individuals' opinions of the emerged situation. Key data used for this study is highly qualitative, and collected through observation and interviews. During the data collection, triangulation by comparing different sources is used to find supporting evidence for the discovered phenomena from a single case study.

Data for this thesis is collected iteratively and systematically during the years 2013 and 2014, and have built a large database for the data analysis. Observation and

interview data is collected from September 2013 to November 2014. Informal open-ended interviews and participatory observation have been the most important methods for data collection. They gather data of what the interviewees and targets for the observation wanted to say instead of putting them to answer questions, which are used when wanted to produce predefined results.

### 2.2.1 Qualitative single case study

Case studies are rich, empirical descriptions of particular instances of a phenomenon that are typically gathered from a variety of data sources (Eisenhardt & Graebner, 2007). Although sometimes seen as subjective, the adherence to the data keeps researcher sincere and objective (ibid.).

Qualitative research methodology in general can be used to better understand any phenomenon which is only little understood (Strauss and Corbin, 1990). Qualitative research focuses on literature and human, relying on words and talks, to create text and narrative on people's views, whereas quantitative research is grounded in mathematical and statistical knowledge. Almost all data collected to this study is qualitative.

Case study is used as a method here, because it emphasizes the rich, real-world context in which the phenomena occur. Obviously this study is a single case study, because it involves one organizational platform to be studied. Additionally, inside the organization, there are two sub units, Aalto-Tongji Design Factory and Sino-Finnish Centre, that could be studied. This thesis is studying both units, but focuses more on answering to the question on how to improve the performance of the common platform that is a mixture of these two units.

Study is applying the theory of strategic partnerships and international joint ventures, their challenges and management, and how the culture is affecting the collaboration in an international joint venture and a common platform. This case study can be repeated using inductive grounded theory approach with active participatory observation and informal open-ended interviews.

### 2.2.2 Archival and documentary data

Archival and documentary data combine qualitative and quantitative data (Gephart, 2004). Documentary is used along with other sources of data examining the phenomenon or case as it changes over time. Documentary data is good for comparing the situation from year 2010 to the year 2014, and finding the process and improvement of certain artifacts and phenomena during the four years time.

Archival and documentary data includes two official agreements: Memorandum of Understanding in Appendix 1, and Cooperation Agreement in Appendix 2. Agreements offer a good basis for the archival data from year 2010. Other documentary data are annual reports published every year, various project reports, presentations, and meeting minutes. Annual reports, presentations and meeting minutes are used to compare the data from year 2010 to 2014, and are supporting the findings from observation. The evolvement of measurable data such as students, courses, projects and visitors, is studied by comparing the annual reports from year 2010 to 2014.

Documentary has also been the initial source for certain interview data. Triangulation with informal open-ended interviews created additional support for the documentary data in this study.

### 2.2.3 Participatory observation

Participatory observation includes direct observation: participation on activities, discussions, personal documents, and results from defined activities. Participatory observation increases the validity of the study by reducing the commonness on people behaving on an organized way when becoming aware of being observed (Bernard, 1994). Being on site, the researcher becomes familiar with the community, getting better understanding on what is happening and the cultural norms that exist. Cultural understanding increases the ability on developing questions that are relevant in the context and culture (ibid.).

Participatory observation is different from non-participatory, where researcher has no contact to the group or field of study, to complete participation, where researcher is integrated to the population. This research uses active participation, where the researcher becomes a member of the group by embracing skills and customs. During the research process, the researcher worked as one of the Sino-Finnish Centre and Aalto-Tongji Design Factory staff members, course assistant, and space developer for 14 months. Active participatory observation took place in the physical platform Sino-Finnish Centre and Aalto-Tongji Design Factory, and was documented frequently with pictures and notes.

During the research process, researcher studied the language and culture as well as the working habits of the community. In addition, researcher worked to find ways for improving the collaboration platform alongside the daily staff work. Researcher therefore was in a close relationship to faculty, teachers and students. Close relationship with the community and the platform has positive and negative effects: the researcher gets to know what actually happens and what people think, but on the other hand, the objectiveness and perspectives can be compromised.

#### 2.2.4 Open-ended and semi-structured interviews

Interviews are good way for gathering information from people by asking questions from participants. Interviews are considered open-ended, when the interviewer does not have predefined questions, but instead is asking open questions focusing on participant's thoughts and feelings, knowledge and experience, skills, ideas and preferences. Interview data is therefore highly qualitative because participants may answer however they like and use as much time as they want to answering the question. (Monroe, 2001)

Structured interviews could be best applied when researcher wants the most control over the result. Semi-structured interview is more open and allows ideas and discussion to emerge during the interview. Interviews in this study did not follow any certain pattern of questions. Instead the questions followed a common theme, leaving

the possibility for open answer and dialog. Questions were individualized for each person regarding of what questions wanted to be answered to.

Interview data intended to support the documentation and observation data without restricting to it. Therefore, no specific questions were prepared in advance; instead questions were asked spontaneously depending on the participant and the situation. Different interviewees had different experiences and knowledge based on their position and involvement in the collaboration. In the beginning, it was not known, which kind of knowledge the interviewee could provide. The intention was to collect as wide range of experiences as possible. Therefore, the questions were left open and interviewees were let to answer as they wished.

General themes and questions for interviews were related to the partnership expectations, building the Design Factory, and the future expectations. Questions for students were related to the impact and experiences of Sino-Finnish Centre. Theme questions for decision-makers and management can be viewed in Appendix 3 and the theme questions for student interviews in Appendix 4.

Aalto Vice President Hannu Seristö and ADFS Project Manager Viljami Lyytikäinen were interviewed by semi-structured interviews, which were recorded and transcribed. People tangibly involved in Sino-Finnish Centre and Aalto-Tongji Design Factory platforms, staff members and students, were interviewed with informal open-ended interviews, which were documented with notes. This is the least restrictive form of interview. Exceptions are SFC staff member, and SFC Operative Director Matti Hämäläinen, who were interviewed several times to check for details.

Total amount of 15 people were interviewed, of which nine were Finnish and six were Chinese. Finnish people were interviewed using Finnish language, and Chinese people using English. List of people interviewed can be viewed in Appendix 5, and list of semi-anonymous title based interviews in Appendix 6.

Open-ended interviews worked as a tool for triangulation to support the first findings from documentation and verifying the data observed. Interviews were conducted alongside with participatory observation, when researcher had a fear that more formal or structured interview would have affected the answer. The need for interviews emerged when the study developed and needed triangulation. Some of the informal open-ended interviews resulted with a single answer that worked as evidence in particular explicit statement. Some started a fruitful discussion that is used in several parts of data analysis.

## 2.3 Data analysis and procedure

Data analysis in applied grounded theory approach is an exploration, a journey to the unknown and back from there. Analysis consists of dividing, comparing, categorizing, and linking the data to each other (Strauss and Corbin, 1990). Comparing empirical data to theory, the researcher is able to make conclusions that are the basis for forming the research objectives, questions and problems. Research objectives guided the research through the empirical and theoretical data to the analysis and final results.

In Grounded Theory Method, iterative data collection analysis and theory are in a reciprocal relationship which each other. New data has been collected during the analysis, and a quota of collected data has not been relevant or has become irrelevant after analysis and study of theory. Figure 2.1 is describing the iterative process including data collection, analysis, theory and verification. Each phase is supporting one another, and the cycle form is demonstrating the entire research procedure where the phases could not be separated into four steps of research process. Instead the cycle has been ongoing thorough the study.

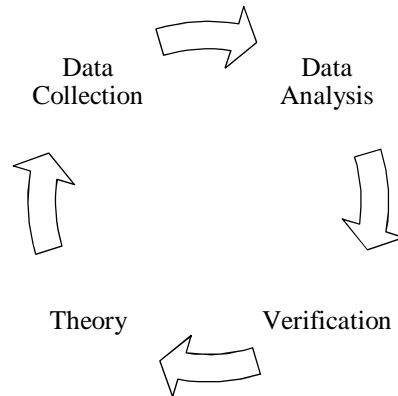


FIGURE 2.1 PROCEDURE OF THE RESEARCH

Applying the grounded theory method, the data collection methods overlapped thorough the research. Therefore it is difficult to define, in which order the data was collected and analyzed. Huge amount of data was stored into an electronic document archive based on the year and author. Some archival data was categorized based on the relevance to SFC, ATDF, Aalto University Because it was not clear in the beginning, which data is significant and which is still to become significant, all data was stored for further use.

During the process, some areas emerged from the data making related notes as significant data. Using the search function, significant and relevant data was easily collected together for analysis. Repeated themes in the data built relationships between findings from different sources. Finding the relationship between the areas and key points helped to group the data into categories, which then worked as a basis for analysis and theory. Categories were written on post-its, which were the moved around the themes.

Documents and archival records were read several times and key points were identified, categorized and combined into themes used in interviews. Observation data was documented along with the observation. The observation data was first used to compare the theoretical data to the findings of observation, and later as the evidence for documentation and interview data. Also observation was supported with interviews. Triangulation provided additional support for the preliminary results of the study and verifies the data collected from various sources. Theory gave more topics to observe and vice versa.



Aalto-Tongji partnership is explained through documentation and completed with participatory observation and informal interviews. General partnership theory is puts this type of cooperation under the category of *strategic partnerships* and *joint ventures*. The need for theory on partnership challenges and cultural differences emerged from the participatory observation. Theory on joint ventures brought up challenges that could be reflected to the current situation of the platform. Observing the situation of the platform, *national* and *organizational culture* had a strong impact on the daily activities. Through the emerged situational topics, more findings related to the topic were noticed and documented during the process.

The significance of cultural analysis emerged from the theory of joint ventures and challenges. Documentation and observation data related to this was discovered, and more data was collected once the theory brought up significant findings. Documented cultural manifestations of Design Factory were compared to theory, and cultural dimensions from literature was compared to observation data of current situation on how the national culture and manifested organizational culture affect the international collaboration platform.

Finally, the research builds a theory based on partnerships, joint ventures and organizational culture, on how the organizational culture manifestations are modified to the national culture values and norms and affect together the people and culture in international partnership where organizational practices are moved with people from one country to another. This is illustrated with a pyramid model, which is introduced and explained in detail in chapter 5.

### 3 CALL FOR THE DANCE

This chapter introduces the dance partners and their goals, and the history behind the collaboration. It opens up what was agreed, and what are the two collaboration platforms. Objectives for the dance have been defined in the form of general goals, educational targets and the widespread influence of the collaboration platform. These objectives are introduced here and discussed in chapter 6.

#### 3.1 Dance partners: Aalto and Tongji

Aalto-Tongji partnership was initiated already in 2008 when professor Yrjö Sotamaa was invited to Tongji University as a guest professor. In 2009 Sotamaa took the position as Advisory Dean of the College of Design and Innovation in Tongji University. Same year, Tongji University President Pei Gang met with the Finnish Minister of Education and Science, discussing about the cooperation under two themes: start the Sino-Finnish Double Degree Program and build alliances among universities and enterprises from China and Finland. (Sino-Finnish Centre, 2014b).

##### 3.1.1 Aalto University

Aalto University is primarily located in Helsinki, Finland. University was established in 2010, and created by a merger of three leading Finnish universities: Helsinki School of Economics, Helsinki University of Technology and the University of Art and Design Helsinki, forming an entity that serves as Finland's model for an innovation university (Aalto University, 2014). Aalto University is regarded as one of the five worlds leading innovation universities (Graham, 2014).

Aalto University works towards a better world through top-quality research, interdisciplinary collaboration, pioneering education, surpassing traditional boundaries, and enabling renewal. Aalto University Vision is stated as: “The best connect and succeed at Aalto University, an institution internationally recognized for the impact of its science, art, and learning”. University values are passion for

exploration, freedom to be creative and critical, courage to influence and excel, responsibility to accept, care and inspire, and integrity, openness and equality. (Aalto University, 2014)

Aalto strategy is to become a world class University by 2020, contribute to a better world, grow internationalization, and to become internationally recognized. So far, Aalto is having Double Degree Programs with high-class universities and International partners supporting high-level research and multidisciplinary projects, increasing mobility and working as peer-evaluation targets (Aalto University, 2014). In China, Aalto has collaboration with e.g. Fudan University, JiaoTong University, Tsinghua University, Beihang University, and many others. Collaboration is in student exchange, joint industrial projects, and research projects. Student union links are strong with Tongji University Shanghai and Tsinghua University Beijing (Seristö, interview 2014).

In Aalto University China mission is to provide Aalto students and faculty with attitude, capability and links to operate in China. Aalto University goals are to have numerous opportunities for our students and faculty to study and do research in China, to build competence to work and live with the Chinese and operate in China, and to enhance research quality by sharing infrastructure through partners in China (Seristö, interview 2014).

### 3.1.2 Tongji University

Tongji University is located in Yangpu District, Shanghai, People's Republic of China. University was established in 1907 as Tongji German Medical School. In 1927 it became National Tongji University, as one of the seven earliest universities in China. Nowadays Tongji is one of the leading universities in China under direct

administration of Ministry of Education, and listed on Project 211<sup>1</sup> in 1995 and Project 985<sup>2</sup> in 2002.

With a history of over a century, Tongji has valued the balanced development of four functions: education, research, outreach, and culture inheritance and innovation. In 2013, the university proposed its vision of a “sustainability-oriented, world-class university” (Tongji University, 2014).

During the partnership negotiations in 2010, Tongji University was recognized as a good partner for Aalto University for several reasons. Tongji University is open for collaboration with foreign universities: it has German roots and collaboration with many European countries including France, Italy, Germany and Spain. Additionally, Tongji University has connections and interests to work with industry (Lyytikäinen, interview 2014). Tongji is a leading university in China in Urban planning and architecture, and strong in automotive (Seristö, interview 2014).

Tongji University was the first strategic partner of Aalto University, signed a day after the new university was established, emphasizing the importance of Tongji and China to Aalto University and Finland (Sino-Finnish Centre, 2014b). So far, Tongji University is the only partner with such a comprehensive collaboration with physical space and common goals.

### 3.2 Collaboration platform: Sino-Finnish Centre

Memorandum of Understanding (MoU) of establishing the Sino-Finnish Centre to Shanghai was signed on January 9<sup>th</sup> 2010 between Tongji University and Aalto University. As specified in the MoU, cooperation agreement for the establishment of

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<sup>1</sup> Project 211 involves 118 universities and colleges of China, with the intent of raising the research standards of high-level universities and cultivating strategies for socio-economic development.

<sup>2</sup> Project 985 involves 39 universities in order to promote the development and reputation of the Chinese higher education system by founding world-class universities in the 21<sup>st</sup> century.

Sino-Finnish Centre at Tongji University was signed on May 25<sup>th</sup> 2010. In the agreement, Tongji University and Aalto University arranged the foundation for the cooperation and for the establishment of a strategic partnership between the two universities (Sino-Finnish Centre, 2010).

### 3.2.1 International platform college

Sino-Finnish Centre, among Sino-Italian, Sino-German, Sino-Spanish and Sino-French, is one of the eight international platform colleges of Tongji University. International platform college as a unit has a right to hire people, arrange courses, and give credits to Tongji University students. Sino-Finnish Centre was officially announced on October 20<sup>th</sup> 2010 gaining the status of international platform college in Tongji University.

Sino-Finnish Centre aims to be a high-profile open innovation platform for cooperative projects in teaching, research and societal interaction between the two parties as well as other universities and enterprises from China, Finland and from other countries. General aims of SFC are to enhance the cooperation between the Parties, support the Parties' mutual goals in becoming world-class universities, contribute to the building of creative and sustainable societies of the 21<sup>st</sup> century, increase student and staff exchange, provide opportunities for them to deepen their understandings of the cultures and societies, educate leaders and experts, and develop an internationally recognized platform. (Sino-Finnish Centre, 2010)

### 3.2.2 Administration and management

According to the cooperation agreement, Aalto University has no ownership of the physical premises or the infrastructure of SFC. Aalto University's role is to provide know-how, knowledge and experience accumulated through the building and managing Aalto University's Design Factory; know-how and assistance from the experience and practice in developing and managing industry-university collaboration and projects; and know-how on the management of International Design Business Management Program. (Sino-Finnish Centre, 2010)

Tongji University owns the physical unit and bears the liabilities and responsibilities of the financial commitments. Tongji University provides facilities and administration; equipment, administrative service support and academic assistance; know-how and assistance in contacting and collaboration with Chinese companies, authorities and other actors. Parties commit to recruit students to the eventual joint projects. (Sino-Finnish Centre, 2010)

#### 3.2.2.1 Decision-making

Organization structure and decision-making follows the Tongji University model for international platform college. SFC has Advisory Board, which will set the policies and targets for the future development as well as provide advice for the daily management of SFC. Advisory Board convenes 1-2 times per year and reports to the presidents of the two universities. Advisory Board has six to eight members, equal number from both universities, selected by the universities and a chairperson from Tongji University. (Sino-Finnish Centre, 2010)

Contact persons for SFC are assigned Vice Presidents, one from each university. SFC has one director from Tongji University, and two deputy directors, known as Executive Vice Directors, one from each university, who are responsible for the daily operations. In addition, each university provides personnel to manage the daily operations of SFC. (Sino-Finnish Centre, 2010)

Both universities assigned an Executive Vice Director on their behalf. From Tongji University, professor Lou Yongqi from 2010 to present. From Aalto University, professor Yrjö Sotamaa from 2010 to 2013, professor Matti Nojonen from January to June 2014, and professor Jarmo Suominen from July 2014 to present. SFC Executive Vice Directors have regular meetings. Due the recent changes, communication has not been as steady as in the beginning. Executive Vice Directors meet with the SFC staff in management meetings arranged regularly. The form and timing of these management meetings has changed evolved during the four years (Hämäläinen, interview 2014b).

Persons responsible for SFC daily management are SFC Assistant Director from Tongji University International Exchange and Cooperation Office, and SFC Factory Director from Aalto University Design Factory. Assistant Director and Factory Director are managing the SFC staff taking care of the personnel, financial, and daily operative issues. In addition, SFC has a Project Manager who administers the Tongji's side of the money. Expenses are handled equally Tongji and Aalto paying for maintenance and up keeping costs from both money pockets.

#### 3.2.2.2 Daily staff

Including the three managers, SFC staff consists of 12 full time employees, six paid by Tongji University and six paid by Aalto University. Three of the employees are Finnish, nine Chinese. Besides the full time staff, SFC employees part time student trainees and assistants from varied schools of Tongji University.

All the staff is located in SFC and sharing the common office. No separate office for directors or management has been built to SFC. Staff meetings arranged weekly on Friday is meant for free discussion between all the staff members going through next week schedule and daily issues.

### 3.3 Platform pilot: Aalto-Tongji Design Factory

Aalto Design Factory, opened in October 2008, was operating as a pilot project for Aalto University, established in 2010. The Design Factory concept, with its principles and manifestations, was copied and transferred to Shanghai, being a pilot project of new learning culture in China, and the first phase of cooperation between Aalto and Tongji University (Sino-Finnish Centre, 2014b).

#### 3.3.1 What was agreed

Cooperation agreement between Tongji University and Aalto University was signed in May 2010. According to the agreement, Aalto-Tongji Design Factory (ATDF) will serve as the first platform of collaboration. The first phase of building the Sino-Finnish Centre was the establishment of the ATDF, which was opened on the same

day when the cooperation agreement was signed. It served as the platform for cooperation built around product design and innovation, but in the longer run the cooperation was intended to expand to other areas, including architecture and urban planning, management, mechanical engineering, IT, transport, etc. (Sino-Finnish Centre, 2010)

ATDF has a manager who comes from Aalto University (Sino-Finnish Centre, 2010). ATDF Manager is Aalto Design Factory (ADF) employee and a Project Manager of ATDF. ATDF project is managed under the ADF project in School of Engineering in Aalto University. ATDF Manager and SFC Factory Director are the same person responsible of the SFC daily management together with SFC Assistant Director.

### 3.3.2 Design Factory concept from Aalto University

Aalto Design Factory is an experimental passion-based co-creation platform. It brings together students, teachers, researchers, industry partners and society under the same roof. Aalto Design Factory is a creative environment that encourages supportive interaction, learning, and the joy of creating something new together with stakeholders. (Aalto Design Factory, 2014)

The project transferred Design Factory physical layout and cultural practices to China, begun in January 2010 after the MoU between Aalto and Tongji University was signed. Transfer project had a working title Aalto Design Factory Shanghai (ADFS). ADFS project team was established to plan the activities and goals for the spring 2010. Strategic level team from ADFS project from Aalto's side, was Aalto Vice President Hannu Seristö, Professor Yrjö Sotamaa and Aalto Design Factory Director Kalevi Ekman. They managed the strategic planning of the ADFS during the spring 2010.

The target was to build a project course involving Finnish and Chinese students in Shanghai (Lyytikäinen, interview 2014). Building of the Design Factory took less than three months and was opened on May 25<sup>th</sup> 2010



Aalto-Tongji Design Factory and Sino-Finnish Centre are the same physical platform and therefore considered as equivalent unit. SFC is mentioned in official documents whereas ATDF is referring to the physical space and the name of the building. ATDF is considered as Aalto-Tongji Design Factory of Sino-Finnish Centre. In Chinese ATDF is 同济-阿尔托设计工厂 (Tongji-Aalto Design Factory).

### 3.3.3 Design Factory Global Network

Aalto-Tongji Design Factory is part of Design Factory Network that builds direct and informal connections between actors in all levels in the network. This network enables direct collaboration without explicit contracts: the connections created through the Design Factory Network are based on trust that has developed among people who share the same ideology and values coming from the Design Factory environment (Oinonen, interview 2014). The global network consists of Design Factories that operate based on the same principles and philosophies and provides the same familiar environments to operate in (Aalto Design Factory, 2014).

Being the first Design Factory built outside Aalto University, ATDF has a special role being a test environment and a forerunner of internationalization of this co-creation platform: after the launch of ATDF numerous requests have been made for helping other universities to set up their own Design Factories (Oinonen, 2013). ATDF has showed an example of how concept and principles can be transferred and what can be done in terms of collaboration between Design Factories.

After ATDF, Swinburne University in Melbourne Australia, followed with India, Chile, Estonia, Switzerland, USA, Portugal, Korea and Netherlands continued increasing the network. Aalto-Tongji Design Factory hosted the second annual International Design Factory week in October 2013 in Shanghai.

Inside the DFGN Network, ATDF has connections to Aalto Design Factory (ADF) in Espoo and Swinburne Design Factory (SDF) in Melbourne. This partnership has brought collaboration between the three Design Factories, e.g. student projects.

Swinburne University of Technology send student groups to Shanghai every year. ATDF offers good China connections through the network. It operates as a home base for collaboration in China offering an easy access to enter China.

### 3.4 Educational cooperation

Sino-Finnish Centre is offering interdisciplinary education for all Tongji University students regardless of their field of study. SFC offers students the exclusive and noble learning opportunities in a multidisciplinary and cross-cultural environment, shedding the light on the cultures and societies of China, Finland and other countries worldwide, providing the insights into related subjects and team spirits as well as building their global competence. (Sino-Finnish Centre, 2014b)

#### 3.4.1 Programs and courses

According to cooperation agreement between Tongji University and Aalto University (Sino-Finnish Centre, 2010), the Parties will establish a Double Degree Program on International Design Business Management (IDBM) launched in Autumn 2011. In addition, SFC will provide a platform for cooperative projects between the two Parties, other universities and enterprises in China, Finland and other countries in education, research and societal interaction (ibid.).

SFC Flagship courses from academic year 2013-2014 are Tongji Innovation and Venture Minor Programme (TJIV) organized together with Aalto Ventures Program (AVP) and piloted in 2014, Tongji On Tracks (TOT) organized four times since 2011, Product Development Project (PDP) organized three times since 2012, International Design Business Management (IDBM) double Degree Masters Program in collaboration with Aalto University, organized since 2011 (Sino-Finnish Centre, 2014a). AVP and IDBM, together with Creative Sustainability (CS) are organized together with Aalto University.

### 3.4.2 Project collaboration

The educational collaboration is offering the student exchange and joint projects where Finnish, Chinese and international students are working together utilizing the SFC as a connection point and ATDF facilitation for joint projects. As an example, PDP course has been running in both Finland and China, and they have had at least one joint project every year. Creative Sustainability and other student groups are working together with counter partners in Tongji University.

Several collaboration projects have been executed together with different universities. Sino-Finnish Centre is collaborating with businesses through industrial projects, e.g. Haier, KONE, Volvo, Panasonic, Rovio, and Audi.

## 3.5 Influence of the cooperation

Espoo and Shanghai have been sister cities since September 1998. Besides university collaboration, this collaboration has taken form through official visits and most recently Espoo Moon Festival<sup>3</sup> initiative, and annual event launched in 2014. Sino-Finnish Centre and Aalto-Tongji Design Factory are concrete examples and acted as a spearhead for the collaboration between Espoo and Shanghai.

### 3.5.1 Publicity

Mayor of Espoo, Jukka Mäkelä mentioned in Espoo Moon Festival September 2014 that university collaboration between Aalto and Tongji Universities is a showcase of the successful future collaboration between Espoo and Shanghai.

Publicity over internet has taken place in form of events and news from SFC web site and monthly newsletter, Design Factory Global Network quarterly newsletter, Xinmin Evening News, Shanghai Education, Grand Design and ICS. Sino-Finnish Centre is strengthening the Finnish Community by Hosting events like Education

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<sup>3</sup> Espoo Moon Festival was organized in September 2014 by the City of Espoo to celebrate the cooperation between Espoo and Shanghai.

Forum, Nordic Design Week 2013 organized by Nordic Consulate Generals in Shanghai are bringing the Finnish people in all organizational status and levels together.

In Shanghai, several national and city level events are involving Aalto University, Sino-Finnish Centre or Aalto-Tongji Design Factory. During the years 2013 to 2014, events such as Design Factory Week, Pujiang Innovation Forum, Nordic Design and Innovation Week, Radical Design Week, TEKES delegations, Rovio Training weeks, 3-Day Startup Shanghai, Shanghai Design Week, PURE Finland, Finnish Education Day, China-Finland Business Forum, and Finland Alumni in Shanghai, took place in Sino-Finnish Centre.

As recognition of the great early achievements of SFC, Professor Yrjö Sotamaa, was awarded the Chinese Government Friendship Awards on September 2014. Chinese Government Friendship Awards is the People's Republic of China's highest award for foreign experts who have made outstanding contributions to the country's economic and social progress. Yrjö Sotamaa is the initiator of SFC, Professor emeritus of Aalto University, professor of Tongji-Forever Chair, Advisory Dean in College of Design & Innovation D&I at Tongji University and former Executive Vice Director of the Sino-Finnish Centre. (Sino-Finnish Centre, 2014b)

Also the City of Shanghai has conferred Professor emeritus Yrjö Sotamaa the Magnolia Silver Award of 2011, together with 46 other foreign citizens. The Magnolia Award is conferred to foreign citizens who have contributed to Shanghai's cooperation with other countries as well as to its economic and social development (Aalto University, 2014).

On November 18<sup>th</sup> 2014, Tongji University President Pei Gang was assigned the insignia of Commander of the Order of the Lion of Finland for his exceptional contribution to furthering Sino-Finnish cooperation in university education, innovation and design. Sino-Finnish Centre Executive Vice Director, Dean of College of Design and Innovation of Tongji University, Professor Lou Yongqi, was

assigned the insignia of Knight, First Class, of the Order of the Lion of Finland for his remarkable contribution to furthering Sino-Finnish cooperation in university education, innovation and design (Sino-Finnish Centre, 2014b).

### 3.5.2 Impact

SFC impact can be seen inside Tongji University: Tongji Venture Valley, established in 2013 is linked strongly to Sino-Finnish Centre. Sino-Finnish Centre logo is used in many events organized by Tongji University Venture Valley and Fablab-Shanghai<sup>4</sup>. Sino-Finnish Centre road signs are used as an example for two different organizations on the Tongji University campus.

From September 2012 to September 2013, approximately 2 640 visitors from more than 30 countries and regions visited the platform (Sino-Finnish Centre, 2013). During the operating years 2010 to 2014, more than ten Finnish Ministers have visited Sino-Finnish Centre including three Ministers of Education, Minister of Health and Social Services (Sino-Finnish Centre, 2013, 2014a).

The number of students studying in SFC courses in fall 2014 is around 250. Besides these students, SFC has students coming for lectures of College of Design and Innovation, international and Chinese students meeting each other and working for the projects or their own home work, and students doing their traineeship in SFC in-house companies. Then SFC has students coming to take a nap, or just for visiting and experiencing the *SFC spirit* (二锅头).

Number of Finnish exchange students in fall 2014 is 12 including two IDBM Double Degree students. The number has increased from previous year involving more schools from Aalto University. Additionally, when counting all the Aalto University students, faculty, researchers, teachers, professors and other people linked in the Aalto-Tongji cooperation, the number of people benefitting from the cooperation.

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<sup>4</sup> Fab labs provide widespread access to modern means for invention. More information available in <http://fab.cba.mit.edu/about/faq/>

Professor Matti A. Hämäläinen, Coordinator of the China-Finland ICT Alliance has mentioned that he comes to Sino-Finnish Centre every time he is visiting China, because SFC is a unique, open, and stimulating environment that is making it easy to enter China; it offers good vibes and great variety of crazy people; and there is the Sauna (Hämäläinen, interview 2014a).

### 3.6 Summary

First objective of this study and the aim for this chapter was to define the partnership on cooperation and collaboration levels. The aim is to explain and clarify the different actors and forms for the cooperation and collaboration, and the connection between the actors and levels based on the empirical findings. Cooperation actors, collaboration actors and collaboration forms are presented in Table 3.1.

TABLE 3.1 ACTORS AND FORMS OF THE COOPERATION

<b>Cooperation actor</b>	Aalto University	Tongji University
<b>Collaboration actor</b>	Aalto-Tongji Design Factory	Sino-Finnish Centre
<b>Collaboration form</b>	Aalto Design Factory	International platform college

Aalto-Tongji partnership was initiated in 2009 targeting to start Sino-Finnish double degree program and university-industry collaboration between China and Finland. Together with the own targets of the universities, Aalto and Tongji share the same goal of becoming a world-class university.

The first phase of collaboration Aalto-Tongji Design Factory, copying the principles from Aalto Design Factory, was established in May 2010. Sino-Finnish Centre, established on the same platform in November 2010, is following the model and practices of Tongji University international platform college. The management positions and structures for collaboration platform are defined in the agreement

obliging both parties to provide personnel for the policy-making, decision-making, daily operations, and daily management.

Collaboration platforms SFC and ATDF arrange courses and joint project in collaboration with both universities, and are part of Design Factory Global Network. Through the collaboration, the partners intend to have an impact on the societies of the 21<sup>st</sup> century, to educate future experts and leaders, and to develop into an internationally recognized platform. Cooperation has recently become more visible in national and city level, and therefore growing the its impact.

Next chapter, chapter 4 uses the empirical data presented on this chapter to explain the partnership and Sino-Finnish Centre through strategic partnership and joint ventures. Chapter 5 will explain the Aalto-Tongji Design Factory through organizational culture, and how the culture is transferred. The perspectives used for studying the cooperation and collaboration levels and forms through the different level actors are presented in Table 3.2.

TABLE 3.2 PERSPECTIVES USED IN STUDYING THE COOPERATION

<b>Level of research</b>	<b>Actors</b>	<b>Perspective</b>
Cooperation level	Aalto University Tongji University	Strategic partnership
Collaboration level	Sino-Finnish Centre Aalto-Tongji Design Factory	International joint venture Organizational culture
Collaboration form	International platform college Aalto Design Factory	National culture Transferring the organizational culture

## 4 INTERNATIONAL PARTNERSHIPS

*“Business once grew by one of two ways: grass roots up, or by acquisition. Today businesses grow through alliances — all kinds of dangerous alliance, joint ventures, and customer partnering, which by the way, very few people understand.”*

Peter F. Drucker (1995)

This chapter explains the Aalto-Tongji Partnership through the theory of strategic partnerships, and the Sino-Finnish Centre through the theory of international joint ventures. International joint venture is a good framework to explain roles and tasks of the two partners. The two national cultures in this study, Finnish and Chinese, are studied through Hofstede’s cultural dimensions and analyzed with data from participatory observation. Cultural dimensions help to understand the partnership challenges in Sino-Finnish Centre, whereas the theory on joint ventures offers tools for managing the challenges.

### 4.1 Aalto-Tongji cooperation

Aalto-Tongji partnership involves a common agreement, shared resources and assigned personnel from both parties. Together with shared resources, partners have a common child, Sino-Finnish Centre, a physical collaboration platform located in Tongji University, China.

#### 4.1.1 Aalto-Tongji strategic partnership

Strategic partnership is relevantly significant partnership for the partners (Lendrum, 2004). Aalto-Tongji partnership was defined in the agreement as a strategic partnership (Sino-Finnish Centre, 2010). One form of such partnership is as an alliance, an agreement between two or more companies who share the risk, returns and control, together with integration and mutual dependence (Ernst & Bamford, 2005).



Aalto and Tongji University have a common agreement in which the partners commit to share their resources, knowledge and expertise. According to the cooperation agreement (Sino-Finnish Centre, 2010), Tongji University provides facilities and administration, and Aalto University provides know-how and managerial expertise. Both parties commit to recruit students to the eventual joint projects and share the same goal on becoming world-class universities (ibid.).

#### 4.1.2 Sino-Finnish Centre as joint venture

More specific type of an alliance is a joint venture (JV), which is a shared investment owned by partners contributing resources, knowledge and expertise (Bamford et al. 2004). JV is called an international joint venture (IJV) when the owner partners represent different nationalities (Inkpen & Beamish, 1997). In this study, the partners are representing two nationalities: Aalto University represents Finland and Tongji University represents China. Sino-Finnish Centre is studied as a child of the partners, which in this case is an international joint venture.

##### 4.1.2.1 International joint venture

International joint ventures are usually created in uncertain circumstances such as entering a new country (Ernst & Bamford, 2005; Inkpen & Beamish, 1997). Cooperation agreement defined the collaboration platform to be established in Tongji University, Shanghai, China. Local partner has the critical knowledge and understanding of local market, culture and environment, while the foreign partner brings in knowledge and technology (Chow & Yau, 2010; Inkpen & Beamish, 1997).

Presently, all the Aalto-Tongji partnership activities are taking place in Tongji University, China. Tongji University is seen as the local partner, and Aalto University as the foreign partner entering to China. Tongji University has the connections and understanding of Chinese local market and culture. For the joint venture, Tongji University provides equipment, administrative service support and academic assistance, know-how and assistance in contacting and collaboration with Chinese companies, authorities and other actors (Sino-Finnish Centre, 2010).

Furthermore, Tongji University owns the physical unit and bears the liabilities and responsibilities of the financial commitments by providing facilities and administration, whereas Aalto University has no ownership of the physical premises or the infrastructure of SFC. Foreign partner Aalto University is entering to a new country and bringing certain knowledge and technology from Finland to China. (Sino-Finnish Centre, 2010)

#### 4.1.2.2 Skills-transfer joint venture

Bamford, Ernst and Fubini (2004) introduced a more detailed type of a JV, a skills-transfer JV where the value comes from transferring specific critical skills from one partner to the JV. The value Aalto University is bringing to Tongji, is in specified skills: providing know-how, knowledge and experience on building and managing Design Factory, developing and managing industry-university collaboration and projects, and management of double degree program. (Sino-Finnish Centre, 2010).

#### 4.1.3 Partnership goals

Defined in the agreement, SFC aims to enhance the cooperation between the partner universities. Cooperation means people or groups working together in a coordinated way towards shared goals (Argyle, 1991). If done well, joint ventures provide a great chance to learn and benefit from each other, achieving results that neither of the partners could achieve alone (Wallace, 2004).

##### 4.1.3.1 Enhance the cooperation

The purpose of a joint venture is to achieve a specific outcome (Wallace, 2004). Sino-Finnish Centre as a joint venture is not built for making profit for its host organizations. Instead it aims to become an internationally recognized platform where the focus is on collaboration between the two universities. Aalto Vice President Seristö (interview 2014) underlines that the target for Aalto in China is not to educate one partner by just transferring skills and knowledge but to do things in a good cohesion and build actual collaboration.

Both partners will learn from each other (Inkpen & Beamish, 1997). Foreign partner can increase its knowledge of the local environment. And the local partner can learn and acquire the skills from the foreign partner. Learning gives bargaining power for the new agreements, but also increases the cooperation when other side is more understandable (ibid.).

For the foreign partner, international joint venture offers an easy access to the foreign country. Instead of knocking on the door, they are inside the arena automatically (Wallace, 2004). The entering partner gets the local firms knowledge of the culture and market (Chow & Yau, 2010).

Before the collaboration platform (Aalto-Tongji Design Factory) was established, Tongji University, Shanghai and China had very little visibility inside Aalto University. The platform has made the collaboration more visible, focused and better coordinated, making it easier for students to go to China to study at the Design Factory, and supported teacher and industry collaboration. (Ekman, interview 2013) The physical space facilitates the pedagogical training in collaboration with Aalto and Tongji University (Sino-Finnish Centre, 2010).

#### 4.1.3.2 Intercultural competence and learning

SFC aims to educate leaders and experts on sustainable design and innovation (Sino-Finnish Centre, 2010). For students and staff, internationalization, international studies and exchange increases their global competence (Deardorff, 2006). Based on Deardorff's studies of university graduates, the outcome of internationalization is interculturally competenced graduates, meaning the ability to communicate effectively and appropriately in intercultural situations. The output can be seen on number of international students and study programs, and students studying foreign languages (ibid.).

Collaboration is a learning opportunity for Aalto and Tongji University as organizations, and on all levels, e.g. students, faculty, teachers, professors, managers, directors, and decision-makers, to increase their intercultural competence. Aalto-

Tongji bilateral exchange program sends yearly more than 10 students from Finland to China and the matching amount of students come from China to Finland. Pedagogical training sends 10 to 20 teachers from Finland to China and vice versa. In 2014, there are at least four Finnish professors physically visiting Tongji University, and more professors involved in the activities. (Sino-Finnish Centre, 2014a)

Cross-cultural communication through exchange is recommended for students and faculty to learn from the different culture, and improve the collaboration and co-working (Dong & Liu, 2009). Especially university students are changing their attitude and behavior towards the other culture when working with each other, and universities are in a key role in supporting and increasing the intercultural competence (Abrami et al. 2014).

Joint ventures are good for learning to operate across national boundaries and learning to cooperate on all levels (Barkema et al. 1997). In order to succeed, foreign entering partner needs to understand the local customers. For example, Chinese consumers have different needs than in Europe or Finland (Stalk & Michael, 2011). By working together with industrial student projects, the students get familiar with people representing this society, and customer and market research.

## 4.2 Culture in partnership and joint venture

International joint venture is a joint effort, a child of two parents. Relationships of the parents, as well as responsibilities, vary based on contracts, agreements or good faith (Barger, 2007). International joint venture is bringing together cultures, with beliefs, values and norms from two nationalities, and possibly has an influence to the host culture (Barger, 2007; Hofstede, 1991). To understand the culture of an international joint venture, we need to understand the parent cultures (Barger, 2007).

#### 4.2.1 National culture

Culture is a system of knowledge, meanings, and symbolic actions that is shared by the majority of the people in a society (Ting-Toomey, 1994). Hofstede (1980) explains the national culture as a collective programming of the human mind, how people feel, think and act.

According to Schein (1985), culture is not inherited, but learned from social environment. It is accumulated shared learning of a given group. For such shared learning to occur, a history of shared experience between the members is needed (Schein, 1985). That, in turn, implies stability of membership in the group. Culture covers behavioral, emotional, and cognitive elements of the group members' mental functioning (*ibid.*). Culture reduces the chances of surprise by shielding people from the unknown. Without rules governing the actions, a person could soon feel helpless, because the lack of culture can mean the lack of structure (Samovar & Porter, 1994).

Each person has several layers of culture inside, affecting the thinking and behavior. Parallel layers of culture, e.g. national, regional, gender, generation, social class and organizational, are intertwined with each other (Hofstede, 1991). Finnish and Chinese, together with Japanese, are close to each other in selected cultural characteristics such as reactiveness. Reactiveness means they prioritize courtesy and respect, listen quietly and calmly to their interlocutors and react carefully to the other side's proposals (Lewis, 2005).

By examining the differences between Finnish and Chinese cultures through Hofstede's cultural dimensions, it is noticeable that the Finnish and Chinese cultures differ in most of the dimensions: power distance, individualism, masculinity, uncertainty avoidance and long-term orientation. These dimensions are explained and analyzed through the participatory observation collected at the Sino-Finnish Centre. Researcher is more familiar with Finnish culture and therefore also the western culture. Therefore the focus is more on the unfamiliar culture, China.

## 4.2.2 Dimensions of culture

Cooperation through international joint ventures is causing tension and misunderstandings but also opportunities for learning (Barger, 2007). Partners get to learn from each other and deepen the understanding of each other and the cultures, build their partnership reputation, and enhance the cooperation through the conflicts or maintaining the harmony. Different national and organizational cultures embody different attitudes causing misunderstandings (Hofstede, 1980). Cultural differences between Chinese and Finnish cultures, and east and west, are studied through Hofstede's cultural dimensions in order to build an understanding of the both cultures.

### 4.2.2.1 Power distance

Power distance refers to the individuals' equality in a society (Hofstede, 1980). Cultures with high power distance have influence and power concentrated in the hands of a few rather than equally distributed. Cultures with high power distance encourage emotions and non-verbal communication that reveal status differences (Matsumoto, 1991).

In China, the power distance is higher, meaning that the society believes that inequalities amongst people are acceptable (Hofstede, 1991, 2014). People are expected to show only positive emotions to people with high status and negative emotions to people with low status (Matsumoto, 1991). Managers are respected and one is supposed to show their respect and agree with the people with a higher status.

In Finland, the power distance is small, implicating democracy. Power is decentralized and managers count on the expertise of their team members. Employees expect to be consulted and communication is direct and participative, and decision-making is achieved through involvement, instead of direct tasks (Hofstede, 1991, 2014).

Whereas Aalto University can hire students to do a full time job in ATDF, Tongji University can only hire employees with a university degree. In SFC, the university

graduate titles are defining the status of a person in the organization. SFC Annual Reports (Sino-Finnish Centre 2013, 2014a), list people and employees in order their status in university, company or the university graduation degree.

#### 4.2.2.2 Masculinity and femininity

Masculinity indicates whether the society is driven by competition, achievement and success. The winner, who is the best in the field, defines the success. Many Chinese will sacrifice family and leisure time to work (Hofstede, 2014). Finland on the other hand is a feminine society where equality, solidarity and quality are valued in working life. Focus is on wellbeing, and balance between the working life and free time (Hofstede, 1991, 2014).

Value system starts in school and continues throughout organizational behavior (Hofstede, 1980). The entire Chinese education system is often blamed for its examination and test-oriented focus: “How can students so completely focused on test scores possibly be innovators” (Abrami et al. 2014). Chinese national higher education entrance examination *Gaokao* is arranged once a year for all high school graduates who want to apply for university. The target for all education before that is to prepare Chinese school kids to *Gaokao*. Chinese students care much about their exam scores and ranking because it is considered as the main criteria in achieving success and manage in life (Hofstede, 1991, 2014).

Competitiveness thorough the school time effects to university students lack of capabilities in groups and team working (Abrami et al. 2014). Because the competitiveness, the team working skills have been better among the Finnish or western students. In addition, using the tools, such as screwdriver or hammer, are therefore more difficult for Chinese students studying at Sino-Finnish Centre.

Dong and Liu (2010) also noticed that Chinese employees had more difficult time accepting direct and public feedback, especially negative feedback. But the Chinese educational culture is developing through the universities nurturing the innovators of

the future (Abrami et al. 2014). That can be one reason for Chinese universities willingness to collaborate with a Finnish university.

#### 4.2.2.3 Individualism and collectivism

Individualism determines how people live together, their values and communication, (Hofstede, 1980). It is associated with people's self-image, importance of individual or group identity, which defines whether a person refers to "I" or "we". China scores low in the individualism being highly collectivist culture where interest of the group is more important than themselves. In organization, personal relationships prevail over task and company (Hofstede, 1991, 2014).

Furthermore, *guanxi* that means linking two individuals to enable social interaction and change is used to refer to a special relationship that develops between members within a team (Dong & Liu, 2010). Simply put, one does a favor, and the other is obligated to return the favor. This is seen in every culture, but emphasized in China where the laws and rules are more flexible.

Finland scores high in individualism, being individualistic society where personal achievement and individual rights are important. Hiring and promotion is based on merits instead of personal relationships. Merit is shown during the time and people are hired based on the individual achievements and the matching need of the company. (Hofstede, 1991, 2014) Individuals are responsible for their relationships and own happiness (Andersen, 1999). On the other hand, individualism has been blamed for alienation from one another, loneliness and narcissism (Samovar & Porter, 1994).

Collective cultures foster emotional displays that maintain group cohesion, harmony or cooperation (Matsumoto, 1991). People in individualistic cultures are encouraged to express emotions because freedom is an overriding value in their mind. (Hofstede, 1980). While in Finnish culture showing ones emotions is encouraged, in China, and therefore at the Sino-Finnish Centre, this is seen as a weakness.



#### 4.2.2.4 Uncertainty avoidance and long-term orientation

Some cultures value change and ambiguity, some value stability and certainty (Hofstede, 1980). Uncertainty avoidance means a need for predictability, written and unwritten rules, which is higher in Finland than in China. People in cultures with high uncertainty avoidance tend to be more emotional. High uncertainty avoidance is correlated positively with the fear of failure and negatively with taking risks (ibid.).

In a culture with low uncertainty avoidance, such as China, laws and rules may be flexible and suit the actual situation. Chinese are more comfortable with ambiguity than Finnish people; they are entrepreneurial and adaptable, and have a pragmatic tolerance for changes being more accustomed to them. (Hofstede, 1991, 2014)

Chinese short-term orientation comes from Confucian dynamism and means orientation in life: protecting face, personal steadiness and stability, respect for tradition, reciprocation of greetings, favors and gifts (Hofstede, 1980). Instead of simply facts, Chinese base their decision-making on preserving harmony and maintaining long-term relationships (Okada, 2006). Okada claims that success of any joint venture is only achieved when the members share a common sense of harmony (ibid.).

Cultures with higher long-term orientation set more importance to the future than cultures with short-term orientation whose values are related to past and present. Finnish culture is long-term oriented and people need written and unwritten rules (Hofstede, 1980). Aalto Design Factory is an exception in this, searching for ambiguity and breaking the traditional rules of Finnish universities and national culture.

#### 4.2.3 Cultural Challenges

Besides the cultural dimensions, Sino-Finnish Centre as an international joint venture encounters challenges related to language, manners in working culture, hierarchy, harmony and the persuasion and handling of conflicts. A majority of SFC

employees are Chinese persuading the Chinese cultural values, whereas the Finnish employees apply the Finnish values.

#### 4.2.3.1 Language

Barriers caused by two different languages, and the stereotyping related to cultural differences are typical in multicultural organization (Wallace, 2004). Language barrier is hindering the conversation and explanation of the cultural differences. Chinese and Finnish cultures both have their own national languages. The staff of the Sino-Finnish Centre is using Chinese and Finnish languages in daily work, even though the official language is English.

Language difference is causing misunderstandings simply because the other nationality is not understanding the discussion. Communication in own national language is easier, and therefore the most complex situations are handled with own language.

#### 4.2.3.2 Manners in working culture

Same manners have a different meaning in different cultures (Dong & Liu, 2010). Manners such as being silent and keeping personal space might in certain cultures show respectful and constructive behavior, whereas in various cultures similar behavior is considered as non-participatory and disrespectful (ibid.).

Manners such as copying or speaking out loud can be habits, or considered as an insult or violation towards a person or a topic, if not understood correctly. Speaking out loud can be considered as respectful way of working, or as offensive behavior. Because culture is not inherited but learned, children will learn to behave in a manner that is acceptable by adults. Outsider of the culture understands the behavior differently, and misunderstanding creates mistrust. Different manners cause behavior differences in harmony and solving conflicts that arise from one's national culture. (Samovar & Porter, 1994)

Chinese are expected to follow the decision of leadership strictly and leadership is more transactional (Dong & Liu, 2010). Based on this, Chinese staff is most comfortable when working on their own tasks. Group work is not supported or encouraged. Cultural differences between international and exam oriented Chinese students affects the teamwork even more.

As in international joint ventures in general, Sino-Finnish Centre daily management has two managers, and when two different management styles face each other, confusion and misunderstandings are unavoidable.

#### 4.2.3.3 Hierarchy

In China, the organizational structure is more hierarchical and the system requires official statuses and roles in order to for it to work. In the Finnish way of working, the discussion between the levels is informal, encouraged and takes place every day. For example, in Finland, a student can knock on the university presidents' door, which would be not possible in China.

Finnish employers are more open with the statuses and titles: students can do the same job as the graduated. In SFC, the university graduate titles are shown strongly and defining the status of the person in the organization. Courses look important for Tongji University students when they have professor name on top (SFC staff member, interview 2014).

Even though Sino-Finnish Centre organization is declared to be flat, it is still showing the hierarchical culture in every publication. SFC people are presented in a status order. Also the power distance and masculinity are affecting the culture, in which the hierarchy and the position in organization count for more than personal skills and taking risks. People are not necessarily willing to risk their position by trying something new in the fear of failure.

#### 4.2.3.4 Harmony

Schein (1984) studied the difference between the east and west in general, and found out that east values more nature and harmony and group is more important than individual. East sees reality as based more revealed truth than on empirical experimentation (ibid.). One application of harmony could be illustrated by behavior in groups. Keeping silent in a group is seen a safer choice: *you wont get in trouble if you don't do anything* (Xin & Pucik, 2003). For Chinese employees, it is easier keeping silent in a group, hiding mistakes and forgetting misunderstandings, whereas for Finnish, it is important to maintain the discussion and bring out problems to be solved instead of hiding them. The handling of conflicts differs between the nationalities.

Chow and Yau (2010) studied the effect of harmony on cooperation and performance of an international joint venture and claim that the higher the level of harmony, the higher the level of perceived cooperation between the partners. However, harmony is not always the only correct way. Multi-cultural aspect of a team increases the potential of conflict. And, as long as the conflicts are constructively handled, the conflict itself is no problem (Dong & Liu, 2010). The value of conflict is highlighted in stimulating the thought and creative solutions (Nemeth & Nemeth-Brown, 2003). Conflicts here are a good way to examine the people's behavior in different national cultures.

#### 4.2.3.5 Conflicts

Conflicts are inevitable in all social relationships (Ting-Toomey, 1994). Conflict is defined as the perceived incompatibility of values, expectations, processes or outcomes between two or more parties from different cultures. Intercultural conflict usually starts with miscommunication leading to misinterpretation. If the miscommunications are left unmanaged, they can become actual interpersonal conflicts. Conflict usually arises because of incompatible personalities, beliefs, or goal orientations (ibid.).

Hofstede's individualism-collectivism dimension is often used to explain, why people in some cultures prefer certain approaches or modes of conflict negotiation. For individualistic, the conflict typically follows a problem solving model where the conflict should be dealt openly and directly and result in a win-win situation that benefits the organization. (Ting-Toomey, 1994)

In collectivist cultures such as China, the negotiation resources involve maintenance of face and group harmony, group-oriented status and self-esteem, face-related emotions, and a shared sense of favors and obligations. Conflict signals a lack of self-discipline, it is damageable and should be avoided as a sign of emotional immaturity. Directness and especially contradiction are disliked, since there can be only one winner. (Ting-Toomey, 1994) Negotiation situations are typical in Sino-Finnish Centre, and the cultural affects can be seen as different ways of handling discussions and conflicts.

#### 4.2.3.6 Country regulations

Lots of problems are not related to the people but to the country regulations. In Aalto-Tongji partnership, also university rules and regulations affect the collaboration enabling or restricting ability of working, activities or flexibility. In China, single leader has the ability to change the organizational culture, and cultural change is possible (Dong & Liu, 2010).

Dong and Liu (2010) indicate that the cross-cultural management practices in China should follow certain basic principles. The communist party requires a representative to be present in every company with more than 50 employees. This is a big issue in China. The political world where the business, school and universities need to operate is very bounded, not necessarily the people. (Abrami et al. 2014)

#### 4.2.4 Multicultural management in joint ventures

International joint venture is a multicultural organization. Wrong strategies, incompatible partners, inequitable or unrealistic deals, weak management, cultural

incompatibility, lack of trust, negative group dynamics, and personality differences are reasons to cause a failure in multicultural joint ventures (Barger, 2007).

In cross-cultural alliances and joint ventures, the two parent cultures have different management styles (Barger, 2007). Managing the cultural differences is difficult and needs good cultural understanding (Bamford et al. 2004). Managers and management team of the organization need to be culturally capable, and ready to change their attitude towards the other culture because no culture is better than another (Dong & Liu, 2010). It is important to realize the differences and effects of culture. When we find the strengths of different cultures and benefits of a multicultural organization, we can utilize the benefits of international joint venture.

#### 4.2.4.1 Clear goals

Successful launch for partners with different strategic interests needs specified goals for the first years and creating clear protocols for decision-making (Bamford et al. 2004). When trying to implement a change project planning includes setting clear goals, ensuring agreement with goals and having senior management commitment (Boddy & Macbeth, 2000). Without strategy it is impossible to choose the right structure for and extent of cooperation with a foreign partner (Xin & Pucik, 2003).

Welch and Welch (1997) discuss the role of managers in multinational corporations and suggest that the real challenge for multinationals is to develop mechanisms that encourage mixed voices and messages, and support a diversity of perspectives. This encourages to develop successful practices that can balance between home and host country cultures (ibid.).

Project implementation is best to do by creating a project team with the right membership, preparing a detailed yet flexible project plan, consulting widely with those affected, and setting up adequate controls (Boddy & Macbeth, 2000). Creating structures to manage the change, ensuring adequate resources, having a powerful and respected champion, and appointing a capable project manager (ibid.).

#### 4.2.4.2 Managing people

Interpersonal relationships can best be developed in a context of openness to other's beliefs, and of a willingness to listen, and of a desire to respect and to understand others in their differences (Chow & Yau, 2010). Not all things are seen as important to be explained across the national and language boundaries: the explanation needs time, energy and a right place (SFC Project Manager, interview 2014).

Ball, Lindsay and Rose (2008) indicate the importance of physical contact and presence of home staff in foreign country. Foreign staff brings some necessary skills and therefore showing example on certain practices to the local people.

Together with foreign experts, Dong and Liu (2010) suggest using the local people in a joint venture organization. The local staff plays a significant role because they are growing from the culture and they are growing to the culture to make their career path. Local people stay even when the merger faces lower phase or ends. Together they develop an environment to apply foreign practices implemented to the local culture.

Schein (1984) indicates that the strength of culture comes from homogeneity and stability of members, and shared experiences. Strong cultures can survive the changes if the prevailing leadership remains stable. New members can be strongly socialized into the culture when leaders supervise them (ibid.). The impact of cultural diversity on team productivity is not clear, and is becoming a norm instead of exception (Dong & Liu, 2010). In SFC, employees are from China and Finland, which makes the organization heterogeneous.

Managing people means keeping the commitment. Cross-cultural interventions include cross-cultural training, cross-cultural communication system and unified organizational culture (Dong & Liu, 2010). That will increase the flexibility of the knowledge sharing and storing to both countries (Ball et al., 2008).

#### 4.2.4.3 Decision-making

Parents share the decision-making of the joint venture (Geringer and Hebert, 1990) and the mutual trust between the partners is essential. Because the partners need each other to succeed, trust is needed in all levels of cooperation (Lendrum, 2004). Cultural incompatibility brings in personal differences, lack of trust, and creates negative group dynamics (Barger, 2007). Weak culture comes from constantly changing members and little time given for the building (Schein, 1984). Cultural differences can cause frustrations, lack of morale and inefficiency (ibid.). If managers can not work together, the daily staff is having difficulties trusting each other, managers and their management styles.

Sino-Finnish Centre decision-making and management team consists of both Finnish and Chinese managers. Decision-making is in responsibility of the SFC Executive Vice Directors, and both Finnish and Chinese managers manage equal amount of money. Management team is supposed to meet biweekly and make decisions about the daily issues concerning SFC. If one key member is missing from the meeting, the decision-making gets difficult.

#### 4.2.4.4 Support

Cross-cultural management should have a organized supporting system (Dong & Liu, 2010). The support from home organization and top management level is important, especially when the employees are struggling within a different country, in a new culture (Xin & Pucik, 2003). If the home country executives do not know the real situation in host country, they have no skills for decision-making related to the joint venture (ibid.).

Successful blending of the organizational culture depends on the people imported to the organization, their self-education and training (Barger, 2007). Parent organizations must manage cultural differences as well as conflicting incentives and career paths, secure commitments from key staff create compelling value proposition for JV employees (Bamford et al. 2004).



Strong management team and key staff with compelling value propositions is the core of the organization (Bamford et al. 2004). These people should be involved in the beginning, and during the decision-making. This makes the resistance smaller and increases the awareness of the mutual norms and values. The career paths and developing the skills of key staff develops the organization, which is based on merit based appointment and promotion (Dong & Liu, 2010).

Conflict management through cultures needs effective, appropriate, and creative communication. Effective conflict management requires people to knowledge and to be respectful of different ways of dealing the conflict situation. Ting-Toomey suggests being mindful for potential differences, and proactive before the conflicts escalate. (Ting-Toomey, 1994)

### 4.3 Summary

The second objective was to find the challenges in the collaboration. Cooperation level, Aalto-Tongji partnership was studied as a *strategic partnership*. Collaboration level, Sino-Finnish Centre was studied through theory of *international joint ventures* and *national cultures*.

Finnish and Chinese cultures differ through the dimensions to way of working and handling conflicts. Cultural differences between Finnish and Chinese cultures are causing misunderstandings and challenges inside the Sino-Finnish Centre. Multicultural organization needs people from both countries to work together and to understand each other. Bringing two cultures together to a new country needs clear goals, management, and a supporting system in all levels in home and the host country.

The next chapter will compliment the challenges by studying the Aalto-Tongji Design Factory as a manifestation of Aalto Design Factory and through theoretical framework of *organizational culture* and *transferring the culture*, as presented in

Table 4.1.

TABLE 4.1 PERSPECTIVES USED IN STUDYING THE COOPERATION

<b>Level of research</b>	<b>Actors</b>	<b>Perspective</b>
Cooperation level	Aalto University Tongji University	Strategic partnership
Collaboration level	Sino-Finnish Centre Aalto-Tongji Design Factory	International joint venture Organizational culture
Collaboration form	International platform college Aalto Design Factory	National culture Transferring the organizational culture

Chapter 5 will present the cooperation level actors, collaboration level forms and actors, together with national and organizational cultures in a pyramid model. The pyramid model will show the organizational cultural transfer from one national culture to another.

## 5 EXPERIENCE ON BUILDING THE CULTURE

Sino-Finnish Centre and Aalto-Tongji Design Factory seek to apply the experimental co-creative platform model under the same principle as the Design Factory of Aalto University in Espoo, Finland (Sino-Finnish Centre, 2010). These principles were transferred to China as a project called Aalto Design Factory Shanghai, ADFS, which intended to be an experiment for new learning culture in China (Sino-Finnish Centre, 2014b).

This chapter explains Aalto University Design Factory culture through Schein's (1985) organizational culture theory, and analyzes the transferred culture of Aalto-Tongji collaboration platform with the pyramid model, which emerged from a complex set of observations, interviews, and a documentary analysis. The pyramid model illustrates the organizational culture manifestations transfer on the top level, and the national culture carried by people, on the bottom level. It presents the two collaboration forms *Design Factory* and *international platform college* as two separate units.

### 5.1 Organizational culture

Schein (1985) defined the organizational culture to consist of assumptions, beliefs, and values shared by senior managers regarding appropriate business practices, and distributed to employees inside the organization. Referring to Schein's (1985) theory on organizational culture, the culture can be analyzed at several different levels. Levels range from tangible manifestations, things that can be seen and felt, to deeply embedded, unconscious, basic assumptions. Three main levels of cultural analysis are artifacts, espoused beliefs and values, and underlying assumptions (ibid.). This study analyzes the organizational culture through the three main levels.

### 5.1.1 Levels of culture

Organizational culture is a set of shared assumptions that are invisible at the surface (Schein, 1985). Unconscious assumptions are the essence of culture. Underlying assumptions are supported by the second level, espoused values and beliefs such as strategies, goals, and philosophies. Assumptions and values are manifested by the third level that is visible representations and artifacts, such as clothing, physical structure, language, technology, and products (ibid.).

Artifacts are at the surface level of culture: artifacts are those we see, hear and feel when entering or encountering with new culture. First and second level, basic underlying assumptions and espoused values are not necessarily connected, and therefore espoused values may not be rooted in the actual values of the culture. (Schein, 1985).

### 5.1.2 Aalto Design Factory Culture

Oinonen (2013) analyzed the Aalto Design Factory culture on Schein's (1985) three levels in her study *Aalto Design Factory from a Pilot Project to a Global Network*. Oinonen's results are used in our study to analyze the Aalto-Tongji Design Factory culture.

At ADF, many of the unwritten rules of behavior are explicitly communicated to others. Oinonen (2013) divided the values and norms into two levels, and therefore Design Factory culture characteristics appear on four levels: assumptions, values, norms and manifestations presented in Table 5.1.

TABLE 5.1 AALTO DESIGN FACTORY CULTURE

<b>Manifestations</b>	Low hierarchy, support, openness, learning, lack of bureaucracy, identity creation	Continuous development, passion, wicked PBL, positive atmosphere	Coffee & food, communal spaces, serendipity, glass table tops, new knowledge, information sharing, interdisciplinary stakeholders	Pace, hands-on-doing, space, prototyping and blurring boundaries between free and work time
<b>Norms</b>	Positive attitude, trust, responsibility, low hierarchy, freedom, openness, accepting incompleteness	Curiosity, leaving comfort zones, inspiration	Proactivity, creating interactions, access, working together, interdisciplinary, information sharing, co-creation, open innovation	Fun, experimentation and failing
<b>Values</b>	User centrality & platform thinking	Inspiring motivation and hunger for learning	Community	Creativity of processes
<b>Assumptions</b>	All people have potential	Passion enables better learning and innovation	Co-creation improves outcomes	

The three Design Factory underlying assumptions are: all people have potential, passion enables better learning and innovation, and co-creation improves outcomes.

*All people have potential* is associated with the values user centrality and platform thinking, and the norms positive attitude, trust, responsibility, low hierarchy, freedom, openness, and accepting incompleteness. *Passion enables better learning and innovation* is associated with the values inspiring motivation and hunger for learning, and the norms curiosity, leaving comfort zones, and inspiration.

*Co-creation improves outcomes* is associated with the value community, and the norms proactivity, creating interactions, access, working together, interdisciplinary, information sharing, co-creation, and open innovation. Additionally, the value

creativity of processes associates with norms fun, experimentation and failing. This value ties in with all the Design Factory assumptions.

## 5.2 Transferring culture

In service organizations, organizational culture is used as the mechanism to transfer the service offering across the national border (Ball et al. 2008). In this study, culture is assumed to exist on Schein's three levels. Design Factory culture is transferred to China through manifestations and people. Values and norms are assumed to come from the national culture embodied in the people. The people also transfer underlying assumptions of the culture through embodied people exporting. All three levels must be considered when building a new organization, or transferring an existing culture.

### 5.2.1 Cultural context – the Pyramid Model

This study explains the organizational and national culture transfer from one university to another through the pyramid model, represented in Figure 5.1. The top level of the pyramid is the unit, which contains organizational culture that is transferred from one university to another. In the middle is the university with its own culture, and on the bottom level, the country of university and people, and the national culture.

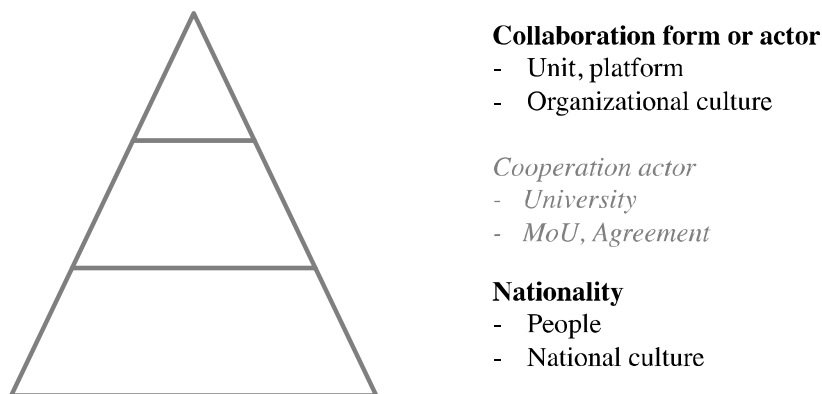


FIGURE 5.1 PYRAMID MODEL ACTORS IN CULTURAL TRANSFER

Pyramid model is based on the theory of national and organizational cultures and on researchers own interpretation. It is an example on how the cultures in the common ground of the collaboration platform could be combined to study together in order to improve the common collaboration platform.

#### 5.2.1.1 Actors in Cooperation

The pyramid model is used to explain the Aalto-Tongji cooperation, where the common platform has two different forms for the collaboration. The collaboration forms are Aalto Design Factory and a platform college, cooperation actors are Aalto and Tongji Universities, and the nationalities are Finland and China. The forms, actors and nationalities are presented in Table 5.2.

TABLE 5.2 FORMS, ACTORS AND NATIONALITIES OF AALTO-TONGJI COOPERATION

<b>Collaboration form</b>	Aalto Design Factory	Platform college
<b>Cooperation actor</b>	Aalto University	Tongji University
<b>Nationality</b>	Finland	China

Figure 5.2 illustrates the actors in Aalto-Tongji cooperation on three levels. Top level is the platform transferred and established with an organizational culture. Bottom level e.g. the people and national cultures are Finland and China.

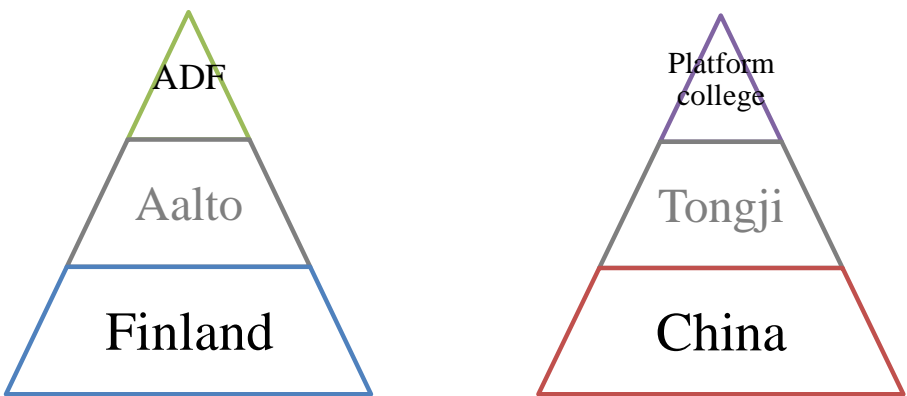


FIGURE 5.2 FORMS, ACTORS AND NATIONALITIES OF AALTO-TONGJI COOPERATION

This study is not focusing on the university level cooperation actors, because University is seen as a tool for bringing the national cultures and platform cultures together offering the space and enabling the collaboration between the actors. Tongji University and Aalto University have own rules and regulations that affect the establishment, collaboration form, administration, funding and decision-making, but do not affect the platform culture.

#### 5.2.1.2 Aalto University pilot project

The cooperation between the universities was initiated in 2009 when new Finnish Innovation University, Aalto University was to be established but did not yet exist. Design Factory, opened in 2008, combined the three leading Finnish universities together, and was the only concrete example of what Aalto University was intended to be. It was therefore taken as the collaboration form representing new learning culture of Aalto University and Finland.

Figure 5.3 illustrates the situation in 2009 when cooperation between the universities was initiated. Tongji University was the counter partner representing China. There was no cooperation or collaboration platform with Finnish university before Aalto University. Being the forerunner and pilot project, Design Factory is assumed to be the natural and tempting collaboration form for Aalto-Tongji cooperation.

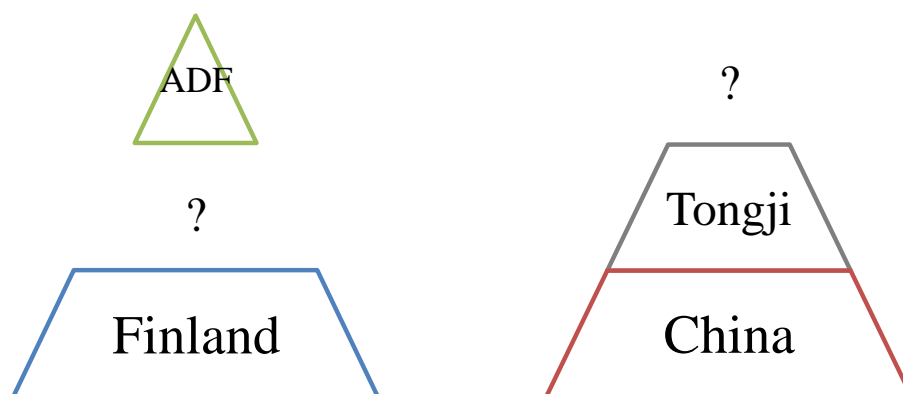


FIGURE 5.3 AALTO-TONGJI COOPERATION FORMS, ACTORS AND NATIONALITIES IN 2009

It was not defined in the original partnership agreement, what it would mean to apply ADF as a form for collaboration in Aalto-Tongji cooperation. Design Factory as a concept was the first selling argument for the cooperation representing the new



learning culture of Aalto University and Finland. Only thing agreed was that Aalto and Tongji were going to establish a Design Factory and test if the concept could be applied in Shanghai China (Lyytikäinen, interview 2014).

## 5.2.2 Manifestations

Defined in 2010, SFC and ATDF seek to apply the experimental co-creative platform under the same principle as the Design Factory of Aalto University in Espoo, Finland. The ways of working are developed jointly by the two parties in a co-creative manner and suitable for the context in Shanghai (Sino-Finnish Centre, 2010).

In March 2010 Aalto-Tongji Design Factory slogan was *Let's hug the world a better place* (Santamäki, 2010). The first and the most important role in the beginning for the ADFS team was to gain attention, and interest in Tongji University (Santamäki, interview 2014).

### 5.2.2.1 Aalto-Tongji Design Factory manifestations

Aalto Design Factory Shanghai project team defined the manifestations to apply in Shanghai 2010. People were wanted to spend time there, interact, talk to strangers, try new things, and have fun (Santamäki, 2010). Aalto-Tongji Design Factory manifestations are divided into four categories based on the similarity and relation: student centric and openness, space and development, people and interaction, and passion.

Certain artifacts and manifestations of Oinonen's (2013) Design Factory culture are matching to the manifestations brought to Shanghai in 2010. To emphasize the correlation between Oinonen's and Santamäki's manifestations, the ATDF manifestations are linked with four Design Factory values: *user centricity & platform thinking, inspiring motivation and hunger for learning, community, and creativity of processes* in Table 5.3.

TABLE 5.3 ATDF MANIFESTATIONS AS REPRESENTATIONS OF ADF VALUES

	<b>Student centric and openness</b>	<b>Space and development</b>	<b>People and interaction</b>	<b>Passion</b>
<b>ATDF Manifestations</b>	New learning culture, easy access, relaxed and easygoing, lot of information available, being different, open and free space for future development, flexibility, non static	Constant development, not finalized and ready, no marble floors, no showroom, no empty corridors and hallways, colors, music, cozy, warm, non-sterile	Interaction design, being connected, interaction between different parties, events bringing random people together, people with different backgrounds, spontaneous meetings, doing things together, eating together, informing others what you are doing students, researchers, parliament members, companies	New working culture, working spaces available 24/7, test bed environment, having fun, living 24/7, falling in love, energy, hands on, crazy
<b>ADF Values</b>	Inspiring motivation and hunger for learning	User centricity & platform thinking	Community	Creativity of processes

It is assumed that the underlying assumptions are the same in both Aalto Design Factory and Aalto-Tongji Design Factory cultures.

#### 5.2.2.2 Transferring manifestations

Figure 5.4 describes the transfer of the ADF manifestations to SFC through ADFS and ATDF. The top level of pyramid is the manifestation of organizational culture. The manifestations and principles of ADF were transferred to ATDF and later to SFC. ADFS and ATDF are marked with dashed line because they do not officially exist.



FIGURE 5.4 TRANSFERRING ADF MANIFESTATIONS TO ATDF AND SFC

It is good to understand that the Design Factory culture has evolved also between years 2010 and 2013, and is still evolving. In addition, the Design Factory culture is based on the underlying assumptions, values and norms from the Finnish culture.

### 5.2.3 Values and norms

On the basis of Schein's (1985) organizational culture model, if only the top levels (artifacts and manifestations) of a culture are transferred, the underlying assumptions are left unnoticed. Oinonen (2013) suggests, that assumptions together with values of the host culture have an impact of new Design Factories when internationalizing the DF culture. In this study, it is assumed that the Design Factory culture wanted to be transferred from Finland to China.

Values and norms refer to Hofstede's dimensions, but are not the most important thing here. The importance is in noticing that there are differences and the national culture is affecting behind the people's mind in the organization.

#### 5.2.3.1 National cultures

Aalto-Tongji partnership collaboration platform is located in Tongji University, China, and is therefore build on top of the Chinese national culture values and norms. National culture of China affects in Tongji University culture where the DF concept wanted to be transferred. Tongji University was established in 1907. It manifests the modern Chinese university culture of innovation and high research being listed on Project 211 and Project 985 and among the top universities on some of its fields.

Together with Aalto Design Factory values and norms, Aalto-Tongji Design Factory is influenced by the Chinese national culture values, norms and underlying assumptions. The people mainly transfer national culture impact. The bottom level of

pyramid is the national culture with values and norms, and underlying assumptions. Assuming that Aalto Design Factory culture has born on top of Finnish national culture, that has also an impact on transferring and creating a new platform culture.

Sino-Finnish Centre is a skills-transfer joint venture, where skills are not transferred by contracts or processes but by people. Skills-transfer joint venture needs people from local culture and embodied people exporting from the foreign culture entered to new country. Values, norms and underlying assumptions are transferred through the people as presented in Figure 5.5.

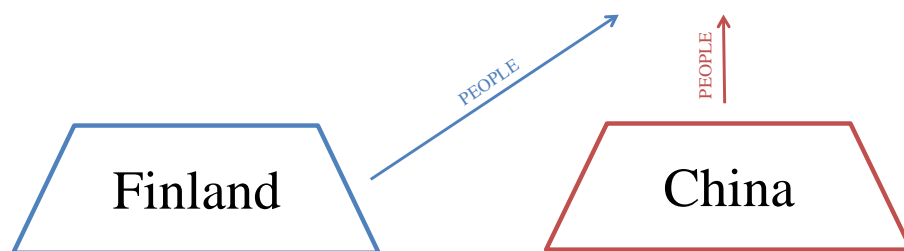


FIGURE 5.5 THE NATIONAL CULTURES EMBODIED IN PEOPLE IN THE COOPERATION

Embodied people exporting mean people exchange where information is carried from home to host country within the employee. People represent either Finnish or Chinese national culture. It is not important here what differences the cultures have, or which culture is better than another, but instead to notice the challenges related to multinational organization.

#### 5.2.3.2 Finnish culture

Because DF concept was born before Aalto University, it is assumed that the ADF people embody the Finnish national culture and in fact affect the Aalto University culture. Aalto University culture is not relevant in this study. Aalto Design Factory culture is not a manifestation of Finnish national culture, however, many of the values and norms, and manifestations go hand in hand with Finnish national culture.

Finnish people working for Aalto-Tongji Design Factory are manifesting the underlying assumptions of Aalto Design Factory. Embodied people exporting from Finland to China have brought people from Aalto Design Factory, who apply the values and norms from Finnish national culture and Aalto Design Factory culture.

Design Factory employees may have different nationalities and cultural identities and Design Factories are born around the world manifesting the similar principles.

#### 5.2.3.3 Chinese values in Sino-Finnish Centre

Based on Hofstede's cultural theory, Finnish culture is individualistic and feminine. Chinese national culture is in many ways the opposite of Finnish culture being collectivist and masculine, and the society is driven by competition and personal relationships. The main differences between Finnish and Chinese culture are related to hierarchy, titles, and management styles. In the basic level, people are still the same, even though the habits would differ.

Similarities in the Finnish and Chinese cultures are reactivity, and politeness. Both are relatively quiet, shy and careful for expressing their feelings or thoughts. From Chinese culture the ambiguity and high uncertainty avoidance fits well together with the Design Factory culture, where the space is wanted to be in continuous development. Flexibility of laws and rules makes it easier and more flexible for Design Factory to operate in China than for example in Finland or Australia.

#### 5.2.4 Combining cultures

The target in the beginning, for the collaboration platform, was to get influence from host culture and embed Design Factory values into the Chinese culture. Some practices were copied from Aalto Design Factory, some were modified to be suitable for the context of Tongji University, and some practices came from Chinese culture and Tongji University. In addition, people from Aalto Design Factory brought elements of Finnish national culture.

We assume that the people coming either from Aalto University Finland or Tongji University China are embodying Finnish or Chinese national culture. Collaboration platform therefore has influence from ADF culture, Finnish national culture and Chinese national culture. Figure 5.6 shows the three cultures combined together into the collaboration platform.

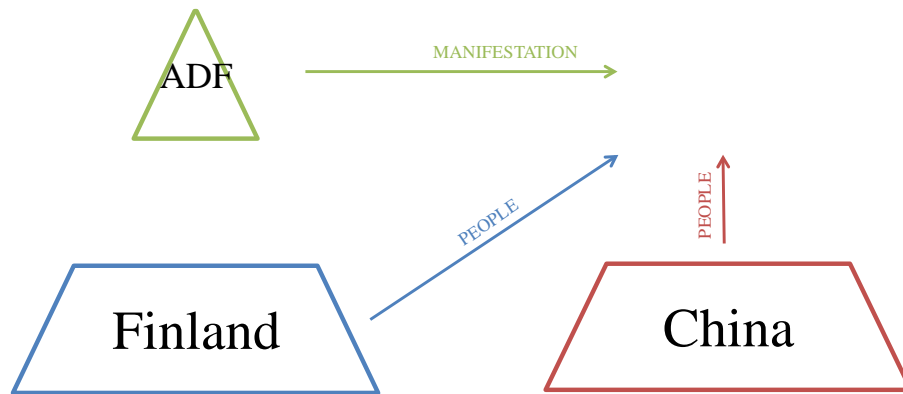


FIGURE 5.6 ORGANIZATIONAL AND NATIONAL CULTURES IN THE AALTO-TONGJI COOPERATION

People are the essence of multicultural organization. Finnish and Chinese people working at the collaboration platform have different manners and goals for their work. No one assumed that it would be easy to transfer these assumptions by bringing the manifestations to Tongji University in the form of physical space of Design Factory.

Schein (1985) declares that manifestations are difficult to install into another culture on top of that national culture's own norms and values. However, certain Aalto Design Factory manifestations fit well into Chinese national culture such as *pace*, and *blurring the boundaries between free and work time*. Aalto Design Factory manifestations and artifacts can be seen today at the Sino-Finnish Centre as *coffee & food, communal spaces, glass tabletops, interdisciplinary stakeholders, pace, hands-on-doing, space, and prototyping*. Sino-Finnish Centre is manifesting these in all the courses and activities arranged on the platform. Aalto-Tongji Design Factory manifestation *continuous development* fits well into Chinese culture where *uncertainty avoidance* is low.

### 5.2.5 Sino-Finnish Centre vision

Besides the three different cultures, all Sino-Finnish Centre employees share a common vision. Sino-Finnish Centre vision is to grow to a Sino-Finnish Campus and to an important hub and engine of international innovation knowledge (Sino-Finnish Centre, 2014a). SFC aims to become a high-profile open innovation platform for cooperative projects in teaching, research and societal interaction between the two

parties as well as other universities and enterprises from China, Finland and from other countries (Sino-Finnish Centre, 2010).

Aalto-Tongji Design Factory manifestations (Santamäki, 2010) are student centric and openness, space and development, people and interaction, and passion. Sino-Finnish Centre vision is to create a strategic paradigm in innovative education, research and practice, a hotspot for people who want to make their ideas into reality, new learning experiences through international and interdisciplinary activities (Sino-Finnish Centre, 2014b). The ATDF manifestations and SFC vision are

Aalto-Tongji Design Factory was supposed to be unfinished with continuous development. Continuous development is not anymore seen at Aalto-Tongji Design Factory as during the time when it was initialized. Instead, SFC is growing, and developing its own culture taking the part of ATDF with it.

## 5.3 Cooperation goals and management

Professor Sotamaa had a major influence on the Finnish university reform in 2010 and in creating the Aalto University through the merger of three leading universities in Finland. He had good connections to China and a mutual goal with professor Lou to change the world. At the same time Aalto Design Factory manifested the new learning culture in Aalto University and Finland and the professor Ekman was willing to test the concept in China. A lot had to do with coincidence and good timing, as in partnerships in general, to combine the relationship, the need for new education, and the educational platform together.

### 5.3.1 Common goals

Aalto and Tongji share common goals and a platform where parties are able to work together. In the beginning the vision of collaboration was in the hands of innovators, later known as Sino-Finnish Centre Executive Vice Directors. Vision was to have one platform to collaborate on applying the principles of Aalto Design Factory modified to Chinese Tongji University. Part of the cooperation agreements, (MoU,

2010; Sino-Finnish Centre, 2010), was rather ambiguous and part of the agreements had very specific details.

Aalto and Tongji University both have their own targets and a shared goal. Common goal has been building the Sino-Finnish Centre collaboration platform (Hämäläinen, 2014b). Figure 5.7 illustrates the vision where the universities have their own targets but share a common goal, which is in the form of Sino-Finnish Centre platform. With common vision, and targets, universities managed to get in close relationship with two platforms SFC and ATDF.

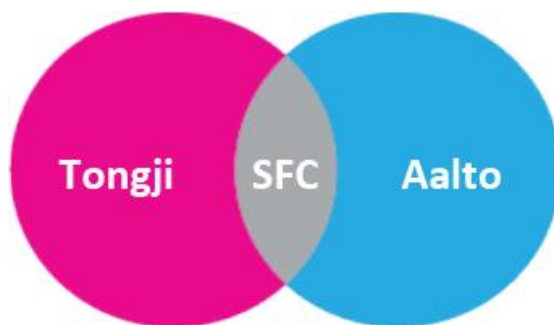


FIGURE 5.7 SFC VISION AS A COLLABORATION PLATFORM COMBINING THE TARGETS OF TWO UNIVERSITIES INTO ONE COMMON GOAL (MATTI M. HÄMÄLÄINEN, 2012)

#### 5.3.1.1 Sino-Finnish Centre vision

The innovators behind the cooperation idea, Professors Sotamaa and Lou, developed the vision for Sino-Finnish Centre in 2009 to 2012. After the year 2012, the common vision has not changed.

In the agreement, Aalto-Tongji Design Factory was supposed to be modified into local culture. That means applying the manifestations from Aalto Design Factory culture and the values from Chinese national culture. In the beginning, Aalto-Tongji Design Factory did not have any Chinese employees, but was designed by Finnish people from Aalto Design Factory. Considering that first Sino-Finnish Centre employees were hired once the SFC was officially established, not many people have seen the ATDF manifestations (SFC Project Manager, interview 2014).



Furthermore, even fewer people have been involved in defining the goals for collaboration. Based on this example, we can assume that SFC employees do not embody the same norms and values. Communicating the mission and common goals is difficult when directors have no chance to meet each other. This has a chance to lead to misunderstandings of goals and common meanings of activities.

#### 5.3.1.2 Risk for a conflict

Conflict is a perceived incompatibility of values, expectations, processes or outcomes between the partners. Sino-Finnish Centre has two managers taking care of the daily activities. If a common strategy through the vision is missing, managers have to take their support from somewhere else. In this case, the support comes from the two units behind the collaboration platform, Aalto University Design Factory and Tongji University International Office, which both have their own goals for the collaboration.

The national cultures affect the individuals' behavior, and become dominant once the conflict needs to be solved and cultural embodiments and issues are affecting the ways of handling the conflict. If the conflict is not managed well, it becomes an interpersonal conflict and affects the overall performance of the collaboration. Therefore there is a risk that both units are building their organizational goals together with the culture stronger instead of focusing on a common platform, as shown in Figure 5.8.

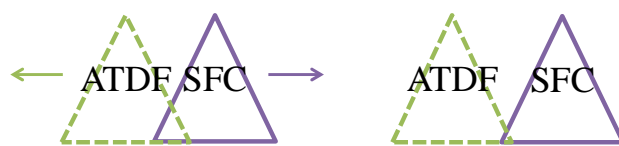


FIGURE 5.8 RISK OF THE COLLABORATION ACTORS TO MOVE FURTHER APART FROM EACH OTHER

#### 5.3.2 Analysis

As defined in MoU (2010), Aalto Design Factory Shanghai represented the first phase of Sino-Finnish Centre, established in Tongji University. ADFS was later named as ATDF. This emphasizes the collaboration as more balanced, not dictated by Aalto Design Factory. Aalto-Tongji Design Factory was from the beginning seen

as a temporary pilot for the platform. Sino-Finnish Centre aim was to become permanent and sustainable platform. The only way to create a sustainable impact in China was to create a new official unit, international platform college inside Tongji University, and to ensure that strong connections are made between collaboration platform and the rest of the university.

ATDF is only the physical facility of the Sino-Finnish Centre. Therefore, ATDF was never completely installed and embedded in Tongji University. An unique organizational culture that is embedded in the host country needs to be built. ATDF as a platform could not work in Tongji University on its own.

As the joint venture grows, it can develop an identity and own unique culture (Inkpen & Beamish, 1997), and so is Sino-Finnish Centre having an influence of the three cultures, but eventually building an own culture, not yet defined in this study. Sino-Finnish Centre is applying the elements brought from Aalto Design Factory culture, adjusted to Aalto-Tongji Design Factory, and applying the values and norms from Finnish and Chinese national cultures.

Figure 5.9 is illustrating the manifestations and national cultures in Aalto-Tongji partnership, and the common platform of Aalto-Tongji Design Factory and Sino-Finnish Centre. The common platform is in the intersection of the two units, which has a common vision, in orange.

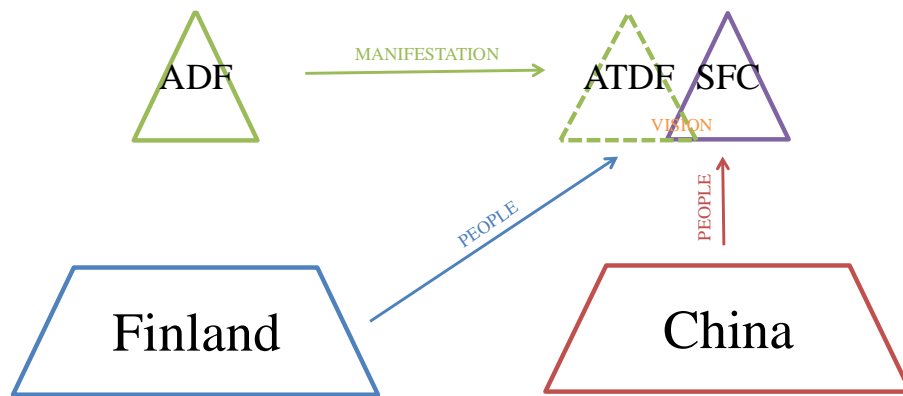


FIGURE 5.9 TRANSFERRING CULTURE THROUGH COLLABORATION UNIT AND PEOPLE

It is assumed that all the Design Factory employees embody the Finnish national culture. Arrows are pointing to ATDF and SFC also because they administratively exist in different universities. Aalto people are working for Aalto Design Factory and sent to Aalto-Tongji Design Factory to China, because Aalto-Tongji Design Factory is one of the projects administered by Aalto Design Factory. Chinese people are working for Tongji University or directly for Sino-Finnish Centre.

## 5.4 Summary

The aim for this chapter was to complement to the findings from chapter 4, and answer to the second research question *What are the challenges in the collaboration*. The transfer of Aalto Design Factory organizational culture and Finnish and Chinese national cultures is illustrated in a pyramid model, where the transferred organizational unit and collaboration actor meets the local unit aiming for increasing the common ground.

The blending of the two platforms, Aalto-Tongji Design Factory and Sino-Finnish Centre, has not been successful. Instead, the two platforms have two separate administration systems, targets and management, that some from the home organization. The common platform lacks of concrete common vision and strategy, and there is a risk for the collaboration actors to move further from the common ground.

Next chapter will collect and combine the empirical and theoretical findings from chapters 3, 4 and 5 into practical results on how to improve the collaboration. The target for chapter 6 then is to evaluate the development and value of the collaboration, and analyze the best practices from the theory. Target for chapter six is to develop an optimal model for collaboration platform and give practical suggestions for the collaboration.

## 6 IMPROVING THE DANCE

Previous chapters 3, 4 and 5 answered the two research questions: *What is Aalto-Tongji Partnership* and *What are the challenges in the collaboration*. This chapter collects the findings from the previous chapters in order to answer the third research question *How to improve the dance*.

To improve the common dance of Aalto and Tongji Universities, this chapter evaluates the development and value of the collaboration by analyzing the findings from chapters 3, 4 and 5, and building an ideal model for collaboration.

### 6.1 Evaluation of the collaboration platform

The research focuses on the Aalto-Tongji partnership and cooperation between the universities. Since the physical platform has given a concrete form for this collaboration, the evaluation is focused on the goals, improvement and importance of the collaboration platform.

#### 6.1.1 Goals for collaboration platform

As acknowledged in chapter 3, the aims for the collaboration platform were to enhance the university cooperation by increasing student and staff exchange, and to grow into an internationally recognized platform that has an impact to the societies of the 21<sup>st</sup> century.

##### 6.1.1.1 Enhancing the cooperation

Collaboration platforms Sino-Finnish Centre and Aalto-Tongji Design Factory have been the home base for exchange students, visiting professors, and joint programs within Aalto and Tongji Universities. The overall amount of Finnish students going to China for exchange period has not increased during the four years time. Neither has the amount of teachers or researchers.

Still, Shanghai is an attractive location, and more and more students, teachers and professors are slowly getting interested in starting activities and searching for possibilities to do something China. This attraction can be seen in the form of increasing amount of visitors, emails and contact requests. During the research period, most of the Finnish exchange students in Tongji University were studying Chinese language and culture as a part of their exchange studies to increase their understanding of China and the culture.

#### 6.1.1.2 Growing into internationally recognized platform

Sino-Finnish Centre has supported the educational reform of China from the year 2010. ATDF is the first experiment for new learning culture in China (Sino-Finnish Centre, 2014b). SFC is clearly a showcase for important people to visit, a physical showroom of a new learning culture, and an international forum, which brings together participants from all around the world. In order to evaluate this impact, Sino-Finnish Centre Annual Reports (Sino-Finnish Centre, 2013; 2014) are listing the activities, people, and visitors every year.

From Tongji's side, not many people knew about the Aalto-Tongji Design Factory, until Sino-Finnish Centre was established and the platform became visible inside Tongji University (SFC Assistant Director, interview 2013). In 2014, Sino-Finnish Centre is showing an example for other Tongji University international platform colleges. International colleagues are frequently visiting the Sino-Finnish Centre.

Good examples of Sino-Finnish Centre being an internationally recognized platform can be found. For example, a similar collaboration platform, Swedish Centre was established in August 2013, between Swedish KTH Royal Institute of Technology and Chinese JiaoTong University in Shanghai. The Center will serve as a cooperation platform for cultural exchange and active collaboration between Sweden and Shanghai in the field of research and innovation (KTH, 2013). Swedish Centre is willing to follow the example of Tongji University Sino-Finnish Centre to start activities and directly asking for help from the SFC.

#### 6.1.1.3 Aalto-Tongji Design Factory values

Some of the manifestations fit well into Chinese culture, some not. For example, ATDF manifestation having fun and doing things differently was the first year's target. Oinonen's (2013) norm *having fun* comes from the value creativity of processes and assumption Co-creation improves outcomes. In the first year, ATDF and SFC hosted events that were fun for the students and platform was even labeled as the *fun center* among students (Lyytikäinen, interview 2014). People came to SFC to have fun, not to co-create and be creative together.

Another example of interpreting the manifestations is, when in 2011, companies were brought to Sino-Finnish Centre just because the Design Factory manifestation said that there must be students, researchers and companies, not because they were expected to do something for the SFC (Hämäläinen, interview 2014b).

Nowadays, people refer SFC as international place where there are nice furniture, interesting courses and interesting people (SFC student, interview 2014). In 2014, the first collaboration project between a SFC in-house company and interdisciplinary student project course has initialized. Two examples give an evidence of the development of the collaboration platform into the right direction.

#### 6.1.2 Value of the collaboration

“When people come in to ATDF, they immediately have the ‘Wow’-effect, because something is different here and something is interesting here. People, who feel the atmosphere and are willing to be part of the SFC community, come back and start increasing the value.” (Hämäläinen, interview 2014b)

##### 6.1.2.1 University level value

Tongji University was the first and yet the only strategic partner for Aalto University. Aalto University is the first and yet the only Finnish University to have a space and comparable collaboration in China. It is the one university that has actually

done something visible establishing and enabling easy access to China and Finland through a physical platform.

Aalto-Tongji Design Factory is the face of Aalto University, Aalto Design Factory and Finland in China. Similarly, Tongji Lounge, which was opened on November 20<sup>th</sup> in 2014, is representing Tongji University inside Aalto University, Finland. Collaboration platform in Aalto University increases the access and connections between the universities, cities and countries. Already the opening of Tongji Lounge attracted and brought together the university presidents, Espoo city Director of Economic and Business Development, several Aalto and Tongji University professors and other China actors from Aalto University and from Finland.

#### 6.1.2.2 Value for students

Students who come from Aalto to China are not the ones trying to get on the top of their fields. They come to search for new possibilities, new experiences and learn from the culture (Aalto exchange student, interview 2014b). “Without ATDF it would have been more difficult to enter China” (Aalto exchange student, interview 2014a). “Even though everything seemed unfinished in ATDF, the courses were arranged for exchange students to study there” (ibid.).

Sino-Finnish Centre offers possibilities for Aalto students that Aalto University cannot offer on its own. Aalto exchange students and different project students are coming to Tongji University to study at Sino-Finnish Centre, taking courses they could not take anywhere else. For example, after dramatic reform of the schools in Aalto University, a mechanical engineering student could not take her minor from Aalto University School of Arts and Design. However, studying design in Sino-Finnish Centre as an exchange student in Tongji College of Design and Innovation made this possible (Aalto exchange student, interview 2014b).

Tongji students are coming to SFC to study because it offers opportunities for working together with international students and to get interdisciplinary or team work experience. For Chinese students, SFC is “the best place to study ever” (SFC



student, interview 2014a). “Compared to Tongji University other schools and spaces, SFC is offering an inspiring atmosphere to study” (Aalto exchange student, interview 2014b).

In 2010, Tongji University did not offer transdisciplinary courses about brainstorming or idea generation techniques, not to mention team-working skills, and therefore new courses, such as IDBM orientation, were arranged (Hämäläinen, interview 2014b). Nowadays the SFC courses are focusing on projects or tasks that use the idea generation as a technique for bigger goals.

#### 6.1.2.3 Design Factory Global Network

Aalto-Tongji Design Factory has been the first initiative, where the Design Factory concept has been applied outside of Aalto University. ATDF is also a special case and received funding from Aalto University. Therefore it has played an important role as a test environment, where ADF had the possibility to test its practices outside of Finland and also developed new learning methods suitable to China.

ATDF is able to build new connections, get support in building the new learning environment and experienced advice for the interdisciplinary or multicultural industry collaboration. The large physical space and involvement of Finnish people building the platform have offered possibilities. The connections created through the DFGN network could be one good reason to maintain the name ATDF alongside with the SFC.

### 6.2 Sino-Finnish Centre 2.0

Because the shared target for the two universities was to establish a collaboration platform, the results are focusing on developing the shared platform to meet the goals of two universities. The collaboration platform has been important for both parties, and as the Executive Vice Director of the SFC said, “We will not allow SFC to go back to ground” (Lou, interview 2014).

Interpretation from professor Lou is that the overlapping between the Aalto-Tongji Design Factory and Sino-Finnish Centre platforms should not decrease. Ideal situation would be that there would be only one common platform between the two hosting universities. This common platform would apply the Aalto Design Factory manifestations redefined to fit into Chinese cultural norms and values.

Design Factory is representing a new way of doing things but is not necessarily the only correct way. Chinese culture is old and the values coming from the Chinese history are embedded deep in values of Chinese society. Chinese culture is bringing flexibility and ambiguity to the platform showing also an example of how things can be done in China.

Figure 6.1 illustrates the situation where two collaboration actors, organizational units come closer to each other increasing the interfering common ground and finally blending together into what I refer to SFC 2.0, highlighted with orange color in the figure.



FIGURE 6.1 GROWING INTO A COMMON PLATFORM BY INCREASING THE COMMON GROUND

The overlapping part of the two platforms is then assumed to be the part where collaboration happens. It is important to find the balance between the two platforms, regulations and cultures so that neither one of them is dominant. Increasing the common ground needs time and a step-by-step plan. The final step would be the situation where there is only one triangle at the top representing one common platform.

New name for the common platform should be created. In this ideal situation, the employees both from Sino-Finnish Centre and Aalto-Tongji Design Factory would have a common vision and common goals to target the activities and energy into. This would help in generating the shared values and norms for the new SFC 2.0.

Figure 6.2 illustrates the ideal cooperation model for Aalto and Tongji Universities, highlighting the collaboration between Aalto Design Factory and Sino-Finnish Centre 2.0. Aalto University has other collaboration forms, which then could also work with SFC 2.0. SFC 2.0 would be a common creating of ATDF and SFC, which would be growing independently.

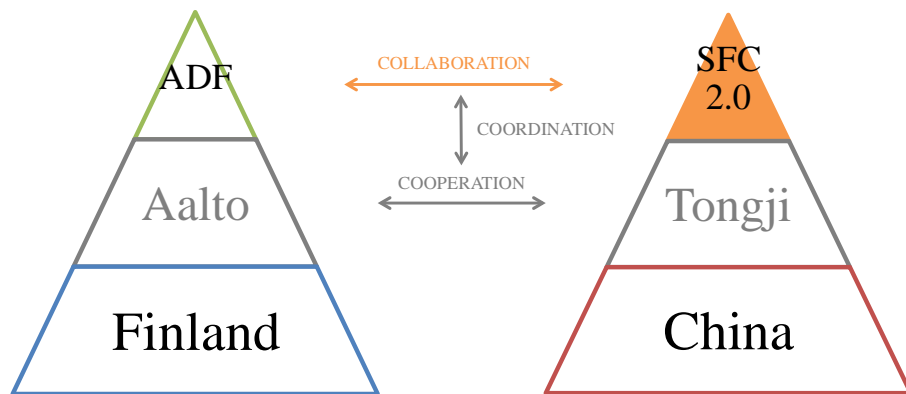


FIGURE 6.2 COLLABORATION MODEL FOR AALTO-TONGJI COOPERATION

## 6.3 Practical suggestions for collaboration

This research is made from Aalto University point of view. Therefore the results also focus on Aalto University, the implications for Aalto University and what Aalto University should do in order to develop the cooperation into more beneficial direction. The practical suggestions are based on best practices discovered from the theory on partnerships, joint ventures and multicultural management. Various methods, theoretical best practices and supporting systems already exist.

### 6.3.1 Learning experience

In addition to the development and value of the platform, the cooperation has been a huge learning experience. Compared to many other sino-foreign joint initiatives, it is good to remember that SFC and ATDF have really done well so far.

The organizational structures and roles were defined in the agreement on very detail level. Recently, due to the changes of e.g. the Executive Vice Director from Aalto University, several critical people, filling up the predefined roles, have been missing

from the organization. Therefore, one key person missing from the organization caused the lack of the continuity towards a common vision. If the strategy is well developed, one person does not have so critical role in guiding the activities.

The vision of the partnership and collaboration platform can not be in the hands of a single individual or even a single organization. If the collaboration format is too tight, there is a risk of one person becoming critically important, which can be seen in the case of the Executive Vice Directors.

The national culture is so strong that it affects the joint venture. Some cultural values may support strong underlying assumptions that are impossible to change. Some cultural issues are so deep in the individuals mind. “This is China; things can not be changed in here” (SFC staff member, interview 2014). We need to focus on the ones that are possible, and not rush with the ones that require more time.

Chinese team is managed from top down, while Finnish employees tend to be more independent and are not used receiving a lot of direct orders. Similarly, for Chinese employees, it is difficult suddenly to change the habit and start thinking and working independently, challenging the orders of the managers. In the Chinese context, transparency and open discussion still mean that the manager is talking to the employees, and their role in the discussion is to listen. If the cultural differences are not understood and managed, misunderstandings could escalate, having strong emotional impact, which might turn this tension into destructive rather than constructive behavior.

### 6.3.2 Small steps for the big future

Aalto-Tongji dance begun with an intensive period. In just three months the first goals were achieved and the first stage was completed. Half a year later, an official status within Tongji University was given for the collaboration platform, completing the second phase. One more year was needed for the activities to develop, and the third one for the people of the community to get familiar with each other.

While the competitive atmosphere has pushed for results and performing, most of the people working for the SFC have been happy that they have not been required to think too much. However, inside the platform things do not go as smoothly as they are made to look on the surface level. After four years it is time to study the collaboration in order to discover the challenges and work to overcome them. These steps will hopefully lead to a third phase, Sino-Finnish Centre 2.0.

The ideal situation where the two collaboration actors slowly blend into one common platform needs time, shared vision and strategic goals. We can not assume that the visions would be realized immediately so we have to make action plans for the steps towards the common platform. Big changes need many baby steps, and a roadmap to guide through obstacles. This needs culturally capable leaders and a supporting system and conflict management in all levels in home and the host country to define common goals to aim for. Goals would need support and a steering system from the leaders.

Steering group, Sino-Finnish Centre Advisory Board already exists. There would be a major possibility in utilizing this board of experts in steering and advising Sino-Finnish Centre development and daily management. One partnership can look enormously good on a paper but fail in reality, for example in a case where managers refuse to collaborate. Instead of focusing on the

Usually in joint ventures, a foreign manager is required to lead the development and daily activities of the new organization. In the case of Sino-Finnish Centre, a local manager should be assigned to support the local staff. Local and foreign manager need to communicate and work with each other. Multicultural organization needs people from both countries to work together and to understand each other.

### 6.3.3 Activities

University education and students capability and development is one thing that remains forever. Educating the Finnish students together with Chinese in China, to understand also Chinese people and their behavior is where this collaboration has

perhaps its biggest potential. In future, the students will know how to make a customer and market research in China. We have witnessed how Chinese, Finnish and other international students learn and grow during their study period in Sino-Finnish Centre. We have an incredible opportunity to educate the future leaders, who can manifest the values and norms of the common platform.

More Aalto University studies should be linked to China. Aalto University should focus on supporting and marketing the possibilities for students, teachers and researchers. The rapid progress of China is not noticed enough in Finland where the older generation still thinks China is behind, and the image is from 70's or 80's. (Seristö, interview 2014) In reality, China has changed rapidly in the past two decades and will become the dominant world power in the nearby future. Generally more knowledge about China and Shanghai is needed in Finland, distributed to executives, administration, faculty, students, and researchers.

It is good to notice that the collaboration is only possible through activities. And for activities, the university administration is making contracts that allow some other party to act on the collaboration. Currently activities are seen as student exchange, study tours, pedagogical training, project courses, joint projects, joint minor program and visits. Most of the activities are student activities and utilizing the passion-based open platform.

More public attention should be given to the achievements of ATDF and SFC, highlighting the existing and potential value of this multicultural unique platform. Aalto University should see the impact as an opportunity to build and maintain the contacts, utilizing publicity, and have continuous discussion outside the Sino-Finnish Centre of how to utilize and fund these activities in the future. Sino-Finnish Centre is an important pioneer that has potential to make many changes in China.

Sino-Finnish Centre and Aalto-Tongji Design Factory together represent a mixed organizational culture, where all elements are equally valuable for the collaboration platform. Many of the improvements and activities would not have happened without

the collaboration, and the common ground where the collaboration actors work together. Therefore, it is suggested that by increasing the common ground, the cooperation actors, partners, will increase their collaboration. This is *how to improve the dance*.

## 6.4 Summary

Two universities have their own targets and a common shared goal. It is important that the shared vision and goals are clear and accepted by all parties. If a common vision with goals is missing, the national cultural values and norms will create a risk of the collaboration actors to move further from each other.

This study suggests that increasing the common ground of the collaboration actors will increase the collaboration between the cooperation actors and improve the dance. Cultural understanding, support and joint local and foreign management will help the organizations in increasing the common ground blending together into a new platform with a vision and shared goals.

Next chapter is the final chapter of this study. It will jump out from the research to examine the overall research process. It will make conclusions on how well the findings of this study fit into a theory, and how the research was conducted, what was successful and what could have been done differently. Chapter 7 will also make suggestions for follow-up research.

## 7 DISCUSSION AND CONCLUSIONS

*Victorious battles can not be repeated,  
they take their form from align of endlessly changing conditions.*

Sun Tzu, The Art of War (Michaelson, 2001)

This chapter looks back at the research and evaluates, how the empirical findings and the findings of this study are linked to the general research theory. It estimates the research and motives indicating what have been left out from this study, and how these could be studied further in the future. It also makes some practical recommendations about how to apply the results of this study.

### 7.1 My interpretation of this dance

I have written this paper from my point of view. I am a Finnish Aalto University student studying and working at the Sino-Finnish Centre and Aalto-Tongji Design Factory in Shanghai from September 2012 to present. Being part of the community, I had an extensive understanding also about Chinese culture.

In the beginning, the purpose was to study both Finnish and Chinese sides of the cooperation. This proofed to be too difficult to be true, and therefore the perspective of the study is reflecting assumptions from Finnish national culture. A similar study from the Tongji University and Chinese point of view would offer another perspective, fill in gaps, increase the knowledge and satisfy all readers.

Paper reveals one truth from my perspective, and it is left for the reader to judge whether the study is objective and shares the same truth with the reader.



## 7.2 Evaluation of the research

The research questions emerged during the research process. The three questions, *What is Aalto-Tongji partnership*, *What are the challenges in the collaboration*, and *How to improve the dance*, were answered and solutions were found to problems.

Due to many practical constraints, not many of the issues were studied in the depth they would require, if the goal were to fully understand them. However, my hope is that this study will encourage and lead the way towards more precise, more in-depth studies related to the topics, either strengthening or weakening the statements and conclusions I have made. The research is intended to be public and hence a certain level of discreteness is kept to avoid any unintentional provocations. Many of the statements are subjective and may not be accepted by all parties.

### 7.2.1 Matching with theory

Empirical findings of the research guided the literature review to focus on *strategic partnerships* and *international joint ventures*. The theory on international joint ventures reveals general issues of the collaboration that was observed at the Sino-Finnish Centre by comparing the theory to the findings and by using interviews as triangulation method to provide support for the findings.

The cultural issues observed at the Sino-Finnish Centre, were easily explained by categorizing them through the cultural dimensions of Oinonen's adaptation of Schein's model of organizational culture. Her theory helped to understand the cultural differences, misunderstandings, and conflicts related to the establishment of our Sino-Finnish collaboration platform.

The findings of the collaboration are typical for multicultural organization. Theoretical framework for transferring organizational culture with people from two national cultures into one collaboration platform between two universities did not exist yet, and therefore it was built in this research.

### 7.2.2 What succeeded

Target for the study was to increase the understanding of China, collaboration with Chinese university, and the transfer and application of Design Factory culture in China. The fact that this research has been done, started a new discussion about the quality and content of the cooperation between Aalto and Tongji Universities. It also contributes to the discussions between different stakeholders on what is the future of Sino-Finnish Centre, and what kind of activities the collaboration platform could host in the future. For the Aalto Design Factory, the study offers groundwork for future research and development of the Design Factory platform.

Contribution of this study is to be an example of a comprehensive analysis of one case of an international joint venture with a platform where cultures collide. And yet there might be many unexpected results. The manuscript of a thesis can be a good discussion starter, but the work behind the manuscript in many cases is often even more valuable. This is one of these cases. Participatory observations and action research type approach has actively encouraged and almost forced people involved in the research to contribute to the improvement of the platform.

Applying the grounded theory method, the research focus has changed from the collaborative spaces, through institutional theory, to finally partnerships and culture. Due to the iterative research, the research questions and problems were iterated several times before defining the final questions. Objectives of the study have developed from general partnership challenges to defining the Sino-Finnish Centre culture. The grounded theory method made it possible for me to focus on the emerged topics and to change the research focus to topics that were relevant.

### 7.2.3 What to do differently

The research could have been initialized better. A lot of time was wasted on searching data from different sources and from various theoretical frameworks. Because the platform evolved continuously, in many cases, the research data expired faster than it could be written down. Findings of the research could have been

published before the manuscript was finished in order to help Aalto University administration and other stakeholders to understand the current situation, challenges and possibilities in China. Due to the late publishing of the manuscript, it did not have time to affect the new agreement, which was signed between the universities on November 20<sup>th</sup> in 2014.

During the participatory research, I intended to become a member of the community. The observations provided more data than could be reasonably handled in one master's thesis. Instead of focusing on finishing one manuscript, I had enough data for three separate studies, with different topics and theoretical frameworks. To make the research process faster, it could have been done as an outsider, not involved in the actual development.

The cultural analysis does not offer any new information of Aalto Design Factory, Finnish or Chinese cultures. Instead, the only function for cultural study in this research is to point out the differences and that way build a model to explain the complexity of this kind of cultural transfer from one country to another. The specific values from Chinese culture affecting the Aalto-Tongji Design Factory and Sino-Finnish Centre cultures could have been studied further. They could also be part of similar study, conducted by Tongji University from Chinese perspective.

#### 7.2.4 Limitations of the research

This research was intended to be a fairly comprehensive situational analysis of the operational, structural, and cultural aspects of the Sino-Finnish Centre. Because of the comprehensiveness, it has been obvious that the study has a lot of limitations.

The research was initiated by one of the partners, Finnish Aalto University, and more specifically the part of Aalto University representing the transferred manifestation, Aalto Design Factory. Therefore, the emphasis is heavily on Aalto's side of the collaboration, and the differences between the platform units are studied from Design Factory perspective.

Aalto-Tongji partnership with its multi stakeholder collaboration has not been easy to understand. Complex situation needs lot of interpretation. Certain facts presented in this paper are based on the individuals' own viewpoint and perception. The target for this paper is to explain two forms and perspectives of partnership as objectively as a participant can describe. Specifics, statistics and evidence collected for this study, are interpretations based on participatory observation, and refer to the status in November 2014 unless mentioned separately.

Interviews were made using Finnish or English language. For Chinese people, English is not native language and therefore, certain answers may lack for information, when answered in English. Similarly, translated Finnish answers may change the meaning when translated to English language.

### 7.3 Follow-up research

Oinonen hoped for more research about the internationalization of Design Factories. My study will be a contribution to the Design Factory Global Network by indicating the different levels of organizations and investigating the collaboration between university units and countries. It can be a very useful tool especially for the new Design Factories that are being established around the world, trying to manifest the principles and aiming to apply the practices of the Design Factory platform. The research shows one example of cultural transfer of Design Factory that can be used as a model for transferring the Design Factory manifestations to a new country and culture.

The general cultural transfer model is presented in Figure 7.1. It can work as a model for any international joint venture, especially skills-transfer joint venture, where some specific skills, practices or manifestations are transferred from home country to host country through physical space, embedded with passionate people and a common vision. And, as Sun Tzu wrote, "Victorious battles can not be repeated". Each partnership, collaboration, or dance is different and needs to be prepared separately.

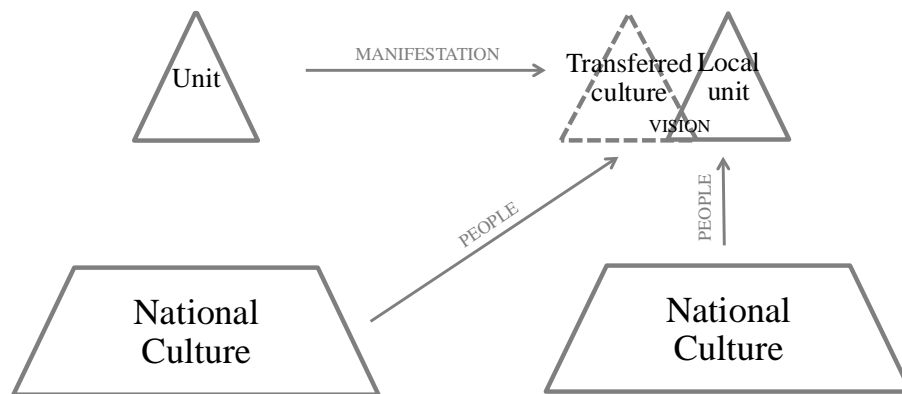


FIGURE 7.1 THE GENERAL CULTURAL TRANSFER MODEL

The general cultural transfer model does not include the middle level of the pyramid, which in this study was university. The model however works for any partnership, joint venture and cultural transfer regardless of the form of the organization in the middle.

Next step should be to develop ways to increase the common interfering platform between to organizational units with different cultures. What kind of supporting systems, steering groups, and strategic plans the common platform and the people would need for collaboration. I studied the national culture through Hofstede's dimensions. It would be beneficial to study and analyze, which of these dimensions or other cultural differences affect this kind of joint platform behavior and culture.

One field touched briefly in this study was the educational value for the students, researchers, faculty and teachers who utilize the international collaboration platform to learn from China and increase their intercultural competence. Universities would benefit from the study of how to measure the intercultural competence of students and staff who have participated on exchange, double degree program or joint projects, for example through the amount of SFC students going abroad. How could the collaboration platform support this more?

## 7.4 We have to dance!

If you manage to find a common rhythm with your partner, there is a good chance that you might want to continue the dance. If a common rhythm is not found, you might be better off changing the partner. For this reason, it is important to understand different rhythms and nuances. The only way to create something unique and change the world is by deciding to be different and then working hand in hand towards ambitious goals that were set together.

To dance together, we need a common platform, a dance floor. Extending the common dance floor makes the dance more pleasant, and opens up possibilities for new moves and experimentations. It is also important to have a mutual idea of what dance are we dancing, because that is the only way to make it feel good! There are various ways for improving the dance, as long as it is given a proper chance. One can not find out, what the results might be, if they are not willing to accept the call for the dance.

I love to dance, because you can always learn new steps, tricks and different dance styles, and develop your skills to be better. All it takes for you is to have the courage to step on the dance floor and give it a chance!

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# APPENDICES

## Appendix 1: Memorandum of Understanding (MoU, 2010)

MEMORANDUM OF UNDERSTANDING (MoU)  
signed between  
Tongji University, PRC  
and  
Aalto University, Finland  
of establishing the Sino-Finnish Centre to Shanghai

Tongji University (hereafter Tongji) and Aalto University (hereafter Aalto), both internationally recognized universities and prime universities in their own country share the same goal: to become world class universities. The task of Tongji and Aalto is to contribute to the building of 21<sup>st</sup> Century creative and sustainable societies. Their work towards these goals is based on highest quality research and education, internationalization of all activities, and active international networking with best universities and companies.

To strengthen their capability to reach the stated goals and to strengthen their mutual cooperation Tongji and Aalto express their mutual commitment to establish a high profile Sino-Finnish Centre to Shanghai. It aims at educating leaders for sustainable design and innovation and high level experts to contribute to the improvement of human life. Through its activities and through innovations the Centre will drive economic, social, technological and cultural development.

The Centre will combine the strengths of Tongji and Aalto, build innovative cooperation with Chinese and Finnish companies and other universities. Through this unique pool of competencies and resources the Centre will become an international benchmark for a next generation environment for advanced design knowledge, innovation, education and research. The working title of the Centre is "Aalto Design Factory Shanghai" (ADFS). The Centre should become part of the Shanghai International Nr 1 Field of Design and Innovation within 3 to 5 years.

Tongji and Aalto aim to start the activities of the ADFS during Spring 2010 by pilot programs organized by the Aalto Design Factory in Shanghai and by starting the planning of an International Design Business Management (IDBM) Double Degree Master's program. Aalto will provide know-how and part of resources for implementing the pilot programs, Tongji will provide the necessary space, local administrative and academic assistance, contacts to the local companies and authorities and the necessary Chinese students.

Further planning of the activities and program of ADFS, its organization and funding will be done during Spring 2010. The parties aim to have the final agreement drafted and signed by the beginning of May 2010. The common aim is to formally open the ADFS in May 2010 during the visit of President Tuula Teeri of Aalto University to Shanghai. Both parties nominate persons responsible for the planning.

This memorandum of understanding exists in two English copies, one for each signatory party.

In Helsinki on January 9<sup>th</sup>, 2010

Vice President, Professor Jiang WU  
on behalf of President, Professor Gang PEI  
Tongji University, PRC

President, Professor Tuula TEERI  
Aalto University, Finland

## Appendix 2: Cooperation agreement (Sino-Finnish Centre, 2010)

### COOPERATION AGREEMENT FOR THE ESTABLISHMENT OF SINO-FINNISH CENTRE AT TONGJI UNIVERSITY

BETWEEN TONGJI UNIVERSITY

AND

AALTO UNIVERSITY, FINLAND

#### I Foundation

This agreement is based on the Memorandum of Understanding on the establishment of a Sino-Finnish Centre (hereafter the Centre) in Shanghai, signed on January 9, 2010 in which the Parties, Tongji University and Aalto University laid the foundation for the cooperation and for the establishment of a Strategic Partnership between the Parties.

The Sino-Finnish Centre aims to be a high-profile open innovation platform for cooperative projects in teaching, research and societal interaction between the two parties as well as other universities and enterprises from China, Finland and from other countries. Based on the concept of an open innovation platform the Centre does not possess any intellectual property of its participating partners.

The Aalto-Tongji Design Factory (ATDF) will serve as the first platform of collaboration.

This agreement does not limit in any way the cooperation of Tongji University with other Finnish Universities or the cooperation of Aalto University with other Chinese Universities

#### II The Parties

Tongji University in the People's Republic of China (hereafter Tongji) No.1239, Siping Rd.  
Shanghai, P.R.China.

and

Aalto University in Finland (hereafter Aalto) PO Box 17800, Uimopuistikku 2, 00076 Espoo

The parties to this agreement may hereinafter be referred to individually as a "Party" and collectively as the "Parties".

#### III Purpose of the Agreement

This agreement defines the principles and practices that guide the establishment and operations of the Sino-Finnish Centre in Shanghai by Aalto and Tongji.

#### IV General Aims of the Centre

- 1) To enhance the cooperation between the Parties, their partners and their countries.
- 2) To support the Parties' mutual goals of becoming world-class universities through high quality research and education, internationalization of all activities and focused partnerships with the best universities and corporations in their home countries as well as internationally.
- 3) To contribute to the building of creative and sustainable societies of the 21st century.
- 4) To increase student and staff exchange, provide opportunities for them to deepen their understanding of the cultures and societies of Finland and China and to increase the opportunities for students and staff to act internationally and to build their global competence.
- 5) To educate leaders and experts on sustainable design and innovation.
- 6) By combining the unique pool of the academic as well as intercultural strengths of the Parties, to develop an internationally recognized platform.

## V Concrete Objectives of the Centre

### 1) Joint establishment of Aalto-Tongji Design Factory (ATDF)

The 1st phase in building the Sino-Finnish Centre is the establishment of the ATDF to be opened on May 25th in 2010. It serves as the platform for cooperation built around product design and innovation, but in the longer run the cooperation will expand to other areas, including architecture and urban planning, management, mechanical engineering, IT, transport, etc.

By 2011, the Centre and ATDF seeks to apply the experimental co-creative platform under the same principle as the Design Factory of Aalto University in Espoo, Finland. The ways of working are developed jointly by the two parties in a co-creative manner and suitable for the context of Shanghai.

### 2) IDBM Double Degree Master Programme

The aim of the Parties is to establish a Double Degree Program on International Design Business Management (IDBM) to be launched in Autumn 2011. As the first phase in planning and experimenting the program, the Parties implement a pilot "IDBM minor" during Autumn 2010.

A separate agreement for the IDBM Double Degree Program, shall be worked out by both Parties including curriculum design, student and teaching resources, degree awarding, admission requirements, teaching language, costs and other related items.

- 3) The Centre will provide a platform for cooperative projects (teaching, research and societal interaction) between the two Parties, other universities and enterprises from China, Finland and other countries in education, research and societal interaction.
- 4) The concrete objectives will be determined by the Advisory Board (as specified in Section VI) after the opening of the Centre, latest in the Autumn 2010, including:
  - a. Making an annual plan to include for example, a set number of student projects, short term courses and/or workshops and a Master level course;
  - b. Exploring the possibility to become a part of the Shanghai International No. 1 Design Field in a few year's time; and
  - c. Involving companies to the extent possible.

## VI Administration and decision-making

- 1) Aalto University has no ownership of the physical premises or the infrastructure of the Centre.
- 2) Aalto University's role is to provide know-how, managerial expertise and assistance for the Centre.
- 3) Tongji University owns the physical unit and bears the liabilities and responsibilities of the financial commitments. Parties shall bear the costs or expenses in regard to the administration and personnel of the Centre as specified in Section VII and in the Annual Dialogue of the Presidents (VI.9).
- 4) Both Parties shall provide personnel to manage the daily operations of the Centre as specified in Section VII and in the Annual Dialogue of the Presidents.
- 5) The contact person for the Sino-Finnish Centre at Aalto is the Vice President for Knowledge Networks; the contact person at Tongji is the Vice President for International Collaboration.
- 6) The contact point for the ATDF in Aalto is Design Factory and in Tongji is the office for ATDF
- 7) The Centre has an Advisory Board
  - a. The Advisory Board will set the policies and targets for the future development as well as provide advice for the daily management of the Centre.
  - b. The Advisory Board convenes 1-2 times per year and reports to the Presidents of the Parties. The Advisory Board can specify its working rules once it is appointed.
  - c. The Advisory Board has 6 to 8 members selected by the Parties.

- d. An equal number of members will be selected by each Party.
  - e. Chairperson of the Advisory Board is from Tongji University.
  - f. Regarding the possible establishment of new Design Factories by either Party in China, the Advisory Board discusses and approves such plans.
- 8) "Sino-Finnish Centre" has one director who comes from Tongji and two deputy directors, one is from Tongji and the other is from Aalto, who are responsible for the daily operations of the "Centre". The Manager of ATDF comes from Aalto.
  - 9) The Presidents of Tongji and Aalto will hold an Annual Dialogue to ensure and promote development of the Centre, and to decide on financial and policy issues based on the recommendations of the Advisory Board

## VII Contribution of the Parties

- 1) For the Centre and the ATDF, Aalto University:
  - a. Provides human resources input by Aalto personnel equivalent of 20 months of full time work during the first year, i.e. 2010, amounting to total personnel costs of 80 thousand euro. The amount of annual management input of Aalto in the following years will be defined in the Annual Dialogue of Aalto and Tongji Presidents. This input is to:
    - i. Provide know-how, knowledge and experience accumulated through the building and managing Aalto University's Design Factory as well as Media Factory and Service Factory in Finland.
    - ii. Provide know-how and assistance from the experience and practice in developing and managing industry-university collaboration and projects.
    - iii. Provide know-how on the management of International Design Business Management Program (IDBM).
  - b. Commits to recruit Finnish students to the eventual joint projects.
- 2) For the Centre and the ATDF, Tongji University:
  - a. Provides facilities and administration of the Centre and thus in the first phase also the ATDF.
  - b. Owns the physical unit and bears the financial liabilities and responsibilities related to the Centre and the ATDF.
  - c. Provides equipment, administrative service support and academic assistance.
  - d. Provides know-how and assistance in contacting and collaboration with Chinese companies, authorities and other actors.
  - e. Commits to recruit Chinese students to the eventual joint projects.

## VIII Other issues

- 1) Teaching  
The compensation for teachers will be agreed separately and in advance.
- 2) Company participation  
When and if companies participate in the Centre's or ATDF projects, they can be charged for the costs of managing and implementing the project. The International Design Business Management program practices in Finland provide a good model for the company charges.
- 3) Aalto University in Shanghai  
The Centre shall provide a space for Aalto researchers or students to do their study and research works in Shanghai. Similarly, Design Factory at Aalto can be used by Tongji researchers or students.

The Parties agree annually of the number of students and researchers at the Dialogue by the Presidents.

Aalto University may use the Centre for the Chinese-Finnish cooperation and promotion the collaboration with universities, companies or other partners. The request for using the Centre for such purposes shall be made in advance with proper notice in order not to adversely interfere with the operations of the Centre.

- 4) Travel costs  
Neither the host university nor the Centre is responsible for the travel costs of the students participating in the collaborative projects. Students' home institution either provides financial assistance for the students to travel between the two universities or assists the students in their search for alternative

funds.

5) Fees

The partner university will not charge fees for the exchange students or the future IDBM Double Degree students. The students will pay their fees to the home university. The students are responsible for their social security and insurance expenses. If Parties will establish programs of which they would want to charge fees a separate agreement is made of this.

#### IX Duration of the Agreement

This agreement comes into force upon the signing of it by both Parties.

The agreement is in effect until 31.12.2014. The possible continuation of the agreement will be negotiated by the Parties by 30.6.2014.

If the agreement is not continued, it will end without separate notice by 31.12.2014. The agreement can also be terminated during the agreement period if any Party essentially violates the terms of the agreement. The termination comes into effect with six months advance notice. Such termination shall not affect the validity and continuity of any incompletely discharged obligation agreed upon by the two parties before termination.

#### X Settlement of Disputes

1. The Parties shall strive to settle any dispute, controversy or claim arising from the interpretation or performance of, or out of or in connection with this agreement through friendly consultations. In case no settlement can be reached through consultations within sixty ( 60) days of a written submission of such matter by one Party to the other Party, the matter shall be submitted to the China International Economic and Trade Arbitration Commission Shanghai Commission for arbitration in accordance with its rules.
2. The arbitration shall be conducted in the English language.
3. The arbitration award shall be final and binding upon the Parties and shall be enforceable in accordance with its terms.

#### XI Modifications and Amendments

All modifications of and amendments to this agreement shall be made in writing.

#### XII Severability

The invalidity of a provision in this agreement shall not affect the validity of any other provision of this agreement.

#### XIII Waiver

A Party's failure to exercise any right, power or privilege under this agreement shall not operate as a waiver of it, and any single or partial exercise of any right, power or privilege shall not preclude exercise of any other right, power or privilege.

#### XIV Entire Agreement

This agreement constitutes the entire agreement between the Parties with respect to the subject matter of this agreement and supersedes all previous oral and written agreements, contracts, understandings and communications of the Parties in respect to the subject matter of this agreement.

#### XV Governing Law

This agreement is governed by the published laws of the Peoples' Republic of China.



XVI Signatures

The agreement exists in two copies, one for each signatory Party.

Place: Shanghai

Date: May 25<sup>th</sup> 2010

Prof. Pei Gang  
President of Tongji University

Prof. Tuula Teeri  
President of Aalto University

## Appendix 3: Theme questions for interviews

### **1. Background for Aalto-Tongji cooperation**

How was the cooperation initiated?

What were the expectations in the beginning of the collaboration?

### **2. Design Factory in Shanghai**

What was the idea behind Design Factory in Shanghai?

Who was involved in the beginning and building the Design Factory?

### **3. Current situation and decision-making**

How does Aalto University benefit from the collaboration?

What are the benefits for Tongji University?

What is the role for Aalto people in Sino-Finnish Centre?

### **4. Future**

What are Aalto's interests for China in future?

Where would we be after ten years?

## Appendix 4: Theme questions for student interviews

### **1. The impact of collaboration**

Value of Sino-Finnish Centre

Value of Design Factory

### **2. Sino-Finnish Centre and Aalto-Tongji Design Factory experiences**

Why did you go to China?

What was the role of Design Factory?

## Appendix 5: List of people Interviewed

<b>Ekman, Kalevi (2013)</b> Director of Aalto Design Factory 2008-	29.8.2013, Espoo	Informal open-ended interview
<b>Hämäläinen, Matti A. (2014a)</b> China ICT Alliance, Digile	29.8.2014, Email	Informal open-ended interview
<b>Hämäläinen, Matti M. (2014b)</b> ATDF Manager 2011-	2013-2014, Shanghai	Several open-ended interviews
<b>Lou Yongqi (2014)</b> SFC Executive Vice Director 2010-	10.11.2014, Shanghai	Informal open-ended interview
<b>Lyytikäinen, Viljami (2014)</b> ADFS Project Manager ATDF Manager 2010-2011	3.2.2014, Espoo	Semi-structured interview
<b>Oinonen, Päivi (2014)</b> DFGN Strategist	19.8.2014, Espoo	Informal open-ended interview
<b>Santamäki, Esa-Mikko (2014)</b> Spatial Designer	12.10.2014, Email	Informal open-ended interview
<b>Seristö, Hannu (2014)</b> Aalto University Vice President SFC Contact person 2010-2014	18.4.2014, Shanghai	Semi-structured interview

## Appendix 6: List of other interviews

<b>Aalto Exchange student (2014a)</b>	21.8.2014, Espoo	Informal open-ended interview
<b>Aalto Exchange student (2014b)</b>	18.9.2014, Shanghai	Informal open-ended interview
<b>SFC Assistant Director (2014)</b>	13.12.2013, Shanghai	Informal open-ended interview
<b>SFC Project Manager (2014)</b>	1.10.2014, Shanghai	Informal open-ended interview
<b>SFC Staff Member (2014)</b>	1.10.2014, Shanghai	Informal open-ended interview
<b>SFC Student (2014a)</b>	8.10.2014, Melbourne	Informal open-ended interview
<b>SFC Student (2014b)</b>	30.9.2014, Shanghai	Informal open-ended interview